

NAVSUP P- 485 Volume III - Ashore Supply

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NAVAL SUPPLY PROCEDURES

NAVSUP Publication 485

VOLUME III

ASHORE SUPPLY



NAVAL SUPPLY SYSTEMS COMMAND

NAVY DEPARTMENT
NAVAL SUPPLY SYSTEMS COMMAND
5450 Carlisle Pike
PO Box 2050
Mechanicsburg, PA 17055-0791

9 June 1998

These instructions are for the information and guidance of the Naval Forces.

This publication supersedes the NAVSUP P-437, MILSTRIP/MILSTRAP Operating Procedures and all changes thereto.



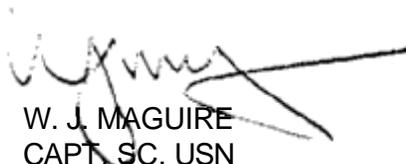
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NAVSUP P- 485 Volume III - Ashore Supply

**NAVAL SUPPLY PROCEDURES
NAVSUP PUBLICATION 485
VOLUME III
ASHORE SUPPLY
CHANGE 1 TO REVISION 3**

**NAVY DEPARTMENT
NAVAL SUPPLY SYSTEM COMMAND
P.O. Box 2050
5450 Carlisle Pike
Mechanicsburg, PA 17055-0788
27 July 2000**

These instructions are for the information and guidance of all persons in the Naval Establishment and are effective upon receipt unless otherwise indicated.



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CHANGES IN PROCEDURES

The following is a summary of Change 1:

Clarification of Purpose Code	02055
Updated MOV procedures to include AMCL 40 and eliminate references to "cards".....	02142
Added description of MILSTRIP/MILSTRAP Transmissions	03020
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Updated procedures for shipping classified material to foreign customers	08120
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Updated points of contact for cataloging Source of Supply (SOS) data	08312
Modified/deleted general descriptions of DAAS support functions	08348-08351
Updated Navy point of contact for DAAS applications	08351,08354
Removed references to DAAS mailing services	08363,08389
Updated activities receiving transactions of decentralized managed items.....	08397
Eliminated COG to SOS Table	08399
Updated and reorganized repair section.....	08400-08488

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Added policy and procedures for Reduction of Package Materials aboard Ships..... 08500-08550
Added policy and procedures for Ships Hazardous Material Lists 08600-08630
Updated Government and Contractor Furnished Material Fund Codes09355

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VOLUME III - ASHORE SUPPLY

The following is a list of sheets in force for Change 1 to the initial issue of the P-485 Volume III. Use it to certify the accuracy and currency of the publication. "II" designates Initial Issue and "1" designates Change 1.

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INTRODUCTION

to

Volume III - ASHORE SUPPLY

PURPOSE

Ashore Supply Procedures establishes policies and procedures for the operation and management of ashore supply activities and components except those, which are directed to operate under afloat instructions.

The procedures contained in this publication are the minimum essential acceptable supply management procedures and are mandatory unless specifically stated as being optional. The Commanding Officer or Supply Officer may prescribe additional controls when circumstances require more stringent control. This publication is also intended as a training manual for officers and enlisted personnel and as a guide in handling supply problems that are not a matter of regulation.

AUTHORIZATION

The Commander of the Naval Supply Systems Command may authorize, in writing, deviations from the instructions contained in this publication, provided the matter concerned is entirely under the cognizance of the Naval Supply Systems Command.

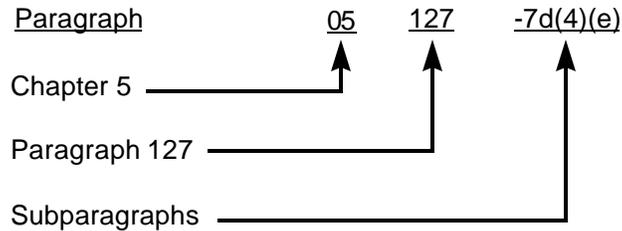
ARRANGEMENT OF SUBJECTS

The NAVSUP P-485, Naval Supply Procedures, consists of three volumes. Volume I - Afloat Supply, Volume II - Supply Appendices, and Volume III - Ashore Supply. Unless otherwise specified, all references to Appendices found in this manual are referring to the Appendices contained in Volume II. There is also a Glossary covering all three volumes in Volume II.

NAVSUP P- 485 Volume III - Ashore Supply

PARAGRAPH NUMBERING SYSTEM

The five digit paragraph number and its subparagraph designations may be broken down as follows:



Reference to Ashore Supply Procedures in correspondence, messages, etc. will be shown in the following manner:

Ashore Supply (NAVSUP P-485, Volume III), par. 05127
Ashore Supply (NAVSUP P-485, Volume III), par. 05127-7d(4)(e)
Ashore Supply (NAVSUP P-485, Volume III), par. 05125-5128

Paragraphs and subparagraphs may contain itemizations in which case reference to a specific item may be made as follows:

Ashore Supply (NAVSUP P-485, Volume III), par. 05127-7d(4)(e) item 1.

The lowest unit of a paragraph or subparagraph breakdown applicable will be used.

PAGE IDENTIFICATION

PAGE NUMBERS

The pages of this publication are numbered in a separate series for each chapter and the index. The pages of a chapter are numbered in sequence with Arabic numerals from 1. The number of the chapter precedes each page number. For example, the fifteenth page of chapter 1 is numbered 1-15. The index is numbered in sequence with Arabic numbers preceded by the letter "i".

RUNNING HEADS

To facilitate finding paragraphs in this publication, each page is identified with a running head. The number in the upper left corner of the left page indicates the number of the first paragraph on that page. The number in the upper right corner of the right page indicates the last paragraph on that page.

ILLUSTRATIONS

The purpose of illustrations in this publication is to amplify and augment the guidelines and procedures referred to in the text by means of charts, filled in forms, or other graphic displays. The names, dates, and figures are unofficial and are intended only to add clarity and realism.

TABLE OF CONTENTS AND INDEX

Use the table of contents at the beginning of the Pub to locate specific information. Information, which is not easily found by using the table of contents, may be located in the index at the end of this publication.

PERSONAL PRONOUNS AND ADJECTIVES IN THE TEXT

The personal pronouns “he” and “him”, and the personal adjective “his” normally are used in paragraphs of this publication which describe the duties or responsibilities of individuals or positions (e.g., the Secretary or an Assistant Secretary of the Navy, the Commanding Officer, the Supply Officer, the stock records storekeeper, etc.). The use of such pronouns and adjectives precludes the need for repeating the position title in the second and subsequent sentences of these paragraphs, thereby making the text easier to read. However, since the duties and responsibilities described may be performed by or assigned to female personnel, the pronouns “he” and “him” and the adjective “his” in this publication always will be interpreted to mean “he or she”, “him or her”, and “his or hers” respectively.

CHANGES

Changes to this publication, numbered consecutively, are issued in page form. The cover sheet of each change must be read carefully because the instructions appearing thereon vary from change to change. Pertinent “Special Information” or “Special Instructions” may be included. Instructions regarding insertion of the change in the publication are always included. In addition, revisions of policy or procedure are summarized and identified by paragraph number.

A notation indicating the change number, the date the change was received, and the signature of the person making the change will be placed in the appropriate columns on the Record of Change Information Sheet in the front of the publication.

New, revised, or deleted instructions summarized on the cover sheet are identified on the pages comprising the change by arrows placed vertically or horizontally in the binding or outside margin to identify the area of revision, as follows:

- Line or lines on which a revision occurs
- ↓ Line on which the revision begins
- ↑ Line on which the revision ends

A down arrow placed on the last line of an organizational unit (paragraph, subparagraph, or item), and an up arrow placed on the first line of the following unit indicates deletion of a unit. Insignificant or non-procedural revisions are not summarized on the cover sheet of the change and are not identified by arrows.

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RECOMMENDATIONS FOR IMPROVEMENT TO THE NAVSUP P-485

All users of the Naval Supply Procedures (NAVSUP P-485) are encouraged to submit recommended changes for improving the publication to the Commander, Naval Supply Systems Command, via the appropriate chain of command. The following format, modified as necessary, may be used in submitting recommendations:

From: (Command or person originating recommendation)
To: Commander, Naval Supply Systems Command
Via: (Appropriate chain of command)

Subj: Improvement of NAVSUP P-485; recommendation for

1. The following recommendation for improvement of the NAVSUP P-485, Volume ,
pertaining to paragraph(s) is submitted.

(Signature)

Copy to:

(Recommendations originated Ashore, send copies to the appropriate service force commander.)

(Recommendations submitted concerning procedures of inventory management, submit copy to the Inventory Control Point, which will forward comment, if appropriate, to the Naval Supply Systems Command within 15 days).

FIRST ENDORSEMENT on

From: (Appropriate via addressee)
To: Commander, Naval Supply Systems Command

1. Forwarded for consideration.
2. (Comment or recommendation, as desired)

(Signature)

Copy to:
(As appropriate)

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LIST OF SHEETS IN FORCE

A list of sheets in force in the publication is issued with each change. It is designed to serve the following purposes:

- a. Verification of the currency of the publication, in whole or in part (the publication, a chapter, a page), at any time by any one.
- b. A control for retention, location, and disposition of transition instructions and special information sheets.

GENERAL INFORMATION

The Ashore Supply Procedures (NAVSUP P-485, Volume III) is written and maintained by the Naval Inventory Control Point, Mechanicsburg (Code M0411). While not to be misinterpreted as a bypass to the formal means of recommending changes, the writer of P-485 Volume III welcomes inquiries/recommendations from the fleet towards improvement of the publication or clarification of data therein. The writer can be reached at DSN 430-7016, commercial (717) 605-7016, or fax DSN 430-4692.

The Defense Printing Service Detachment Office (Code 0513) controls distribution of the Naval Supply Procedures (NAVSUP P-485).

Defense Printing Service Detachment Office
Attn: Code 0513
5450 Carlisle Pike
Mechanicsburg, PA 17055-0791

NAVSUP P-485 ON CD-ROM

The Naval Supply Procedures are published on CD-ROM as part of the Naval Logistics Library (NLL), NAVSUP P-600. The NLL is published and distributed in April, August and December of each year and contains the complete NAVSUP P-485 including all published changes.

NAVSUP P-485 ON THE INTERNET

The Naval Supply Procedures are available on the Internet. The P-485 may be accessed through the Naval Logistics Library on the NAVSUP Home Page (<http://www.nll.navsop.navy.mil>). The P-485 may be viewed, downloaded or printed using the Adobe Acrobat Reader Software (a free copy of this software may also be downloaded).

NAVSUP P- 485 Volume III - Ashore Supply

PUBLICATION STOCKING

Additional copies of this publication may be obtained from the Naval Inventory Control Point (NAVICP), Philadelphia, PA 19111-5098. All changes are have been inserted into the basic publication. The stock numbers are as follows:

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NAVSUP P-485 Revision 3, Volume II	0530-LP-011-0750
NAVSUP P-485 Volume III	0530-LP-011-1780

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CHAPTER 1

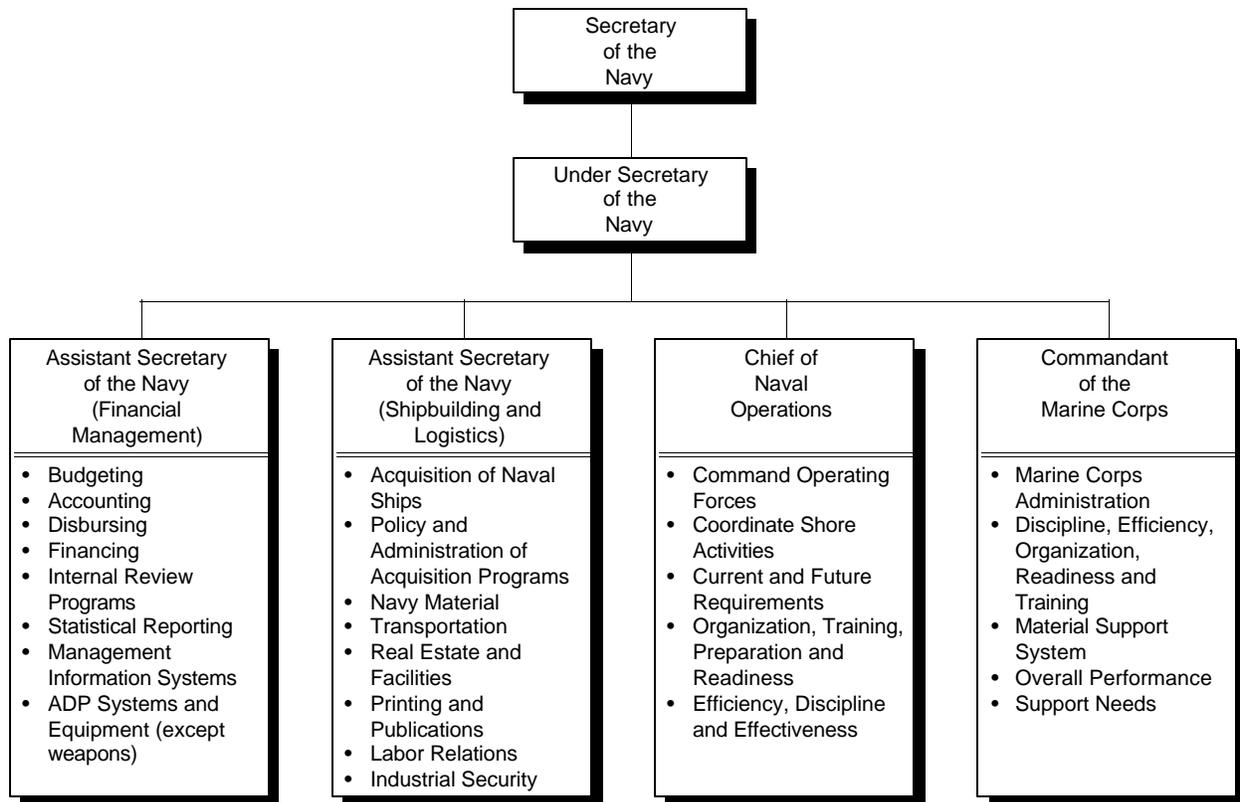
ORGANIZATON AND ADMINISTRATION

PART A: ORGANIZATION

Section I: NAVY DEPARTMENT

01000 GENERAL

The Department of the Navy is organized under the Secretary of the Navy. It operates under the authority, direction, and control of the Secretary of Defense. It is composed of the executive part of the Department of the Navy; the Headquarters United States Marine Corps; the entire operating forces, including naval aviation of the United States Navy and United States Marine Corps, and the reserve components of those operating forces; and all shore (field) activities, headquarters, forces, bases, installations, activities, and functions under the control or Supervision of the Secretary of the Navy. It includes the United States Coast Guard when the Coast Guard is operating as a service in the Navy.



01001 SECRETARY OF THE NAVY

The Secretary of the Navy is the head of the Department of the Navy. Under the direction, authority, and control of the Secretary of Defense, he is responsible for the policies and the control of the Department of the Navy, including its organization, administration, operation, and efficiency. The Secretary of the Navy is assisted by the Under Secretary of the Navy, the Assistant Secretaries of the Navy, the General Counsel and the Deputy Under Secretary of the Navy.

01002 UNDER SECRETARY OF THE NAVY

The Under Secretary of the Navy is designated as the deputy and principal assistant to the Secretary of the Navy, and acts with full authority of the Secretary in the general management of the Department of the Navy.

01003 ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT)

The Assistant Secretary of the Navy (Financial Management) is responsible for all matters related to the financial management of the Department of the Navy. This includes budgeting, accounting, disbursing, financing and internal review, progress and statistical reporting. The Assistant Secretary of the Navy (Financial Management) is also responsible for all matters related to management information systems and automatic data processing systems and equipment, except for ADPE integral to a weapons system. The Assistant Secretary of the Navy (Financial Management) is designated and appointed Comptroller of the Navy (pursuant to the provisions of section 5061 of Title 10, United States Code) and Senior Automatic Data Processing Policy Official of the Department of the Navy, and will supervise those offices and organizations assigned by the Secretary.

01004 ASSISTANT SECRETARY OF THE NAVY (SHIPBUILDING AND LOGISTICS)

1. RESPONSIBILITIES. The Assistant Secretary of the Navy (Shipbuilding and Logistics) is responsible for the overall supervision of all stages of the acquisition of naval ships funded by the appropriation "Shipbuilding and Conversion, Navy". Additional responsibilities include:

- a. All Department of the Navy Acquisition programs following full scale production decision (Milestone III);
- b. The business, contractual, manpower, and logistic support aspects of the Department of the Navy Acquisition programs, including policy and administration of affairs related thereto;
- c. The maintenance, alteration, supply, distribution, and disposal of material;
- d. All transportation matters;
- e. The acquisition, construction, utilization, improvement, alteration, maintenance, and disposal of real estate and facilities, including capital equipment, utilities, housing and public quarters;

Organization and Administration

01005

- f. Printing and publications;
- g. Labor relations with respect to contractors with the Department of the Navy;
- h. Industrial security;
- i. The Mutual Defense Assistance program, as related to the supplying of material, including Foreign Military Sales;
- j. Supervision of offices and organizations as assigned by the Secretary.

01005 CHIEF OF NAVAL OPERATIONS

1. RESPONSIBILITIES. The Chief of Naval Operations (CNO) is the principal naval adviser to the President and to the Secretary of the Navy on the conduct of war, and the principal naval adviser and naval executive to the Secretary of the Navy on the conduct of the activities of the Department of the Navy. CNO also:

a. Commands, under the Secretary of the Navy, the operating forces of the Navy (consistent with the operational command vested in the Military Personnel commanders of unified or specified combatant commands); the Bureau of Naval Personnel (BUPERS); the Bureau of Medicine and Surgery (BUMED); and assigned shore activities; commanders of unified or specified combatant commands);

b. Exercises area coordination authority over all shore activities of the Department of the Navy to ensure that efforts afford adequate support to the combatant forces and are coordinated among themselves to assure economy and efficiency of operation;

c. Responsible for planning and providing for current and future requirements of the Navy (less assigned Marine Corps forces) for manpower, material, facilities, and services; plans for and determines the research, and provides for development, test, and evaluation needs which are adequate and responsive to long range objectives, immediate requirements, fiscal limitation, and advancing technology;

d. Ensures the organization, training, preparation, and readiness of Naval forces, including those to be assigned to unified or specified combatant commands, and also provides administrative and logistic support to the headquarters of the unified and specified commands (as well as their subordinate commands) which are assigned to the Department of the Navy; maintains water transportation services, including a sea transportation service for the Department of Defense;

e. Inspects and investigates components of the Department of the Navy to determine and maintain efficiency, discipline, readiness, effectiveness, and economy.

01006 COMMANDANT OF THE MARINE CORPS

The Commandant of the Marine Corps, under the Secretary of the Navy, commands the United States Marine Corps. The Commandant of the Marine Corps is directly responsible to the Secretary of the Navy for the Marine Corps administration, discipline, internal organization, training, efficiency, readiness, operation of its material support system, and overall performance of the Marine Corps. The Commandant of the Marine Corps is also responsible for planning and determining the support needs of the Marine Corps for equipment, weapons systems, materials, supplies, facilities, maintenance and supporting services.

01007 NAVAL SUPPLY SYSTEMS COMMAND

1. GENERAL. The Naval Supply Systems Command will provide for and meet material support needs of the Department of the Navy that are within the assigned material support responsibility of the Naval Supply Systems Command. Except as otherwise provided by the charters issued to the other commands or by the Chief of Naval Operations, the Naval Supply Systems Command is responsible for the following functions:

a. Providing supply management policies and methods (technical guidance) to activities of the Navy and Marine Corps, including provisioning, cataloging, inventory management, distribution, materials handling, traffic management, transportation, packaging, preservation, receipt, storage, issue, and disposal functions. In the performance of this responsibility as it pertains to naval material, the Commander, Naval Supply Systems Command, will utilize the material management experience and capabilities of the other systems commands, derived from the accomplishment of their assigned material support responsibilities.;

b. Providing staff assistance to the Assistant Secretary of the Navy (Shipbuilding and Logistics) in matters relating to supply, distribution, and disposal of naval material; and in collaboration with the Commandant of the Marine Corps, providing coordination in the preparation of directives and positions on such matters having common application to both Navy and Marine Corps material;

c. Administering:

- (1) the Navy Supply System;
- (2) the Navy Publications and Printing Program;
- (3) the Navy Resale Program;
- (4) the Navy Ration Law;
- (5) the Navy Working Capital Fund (NWCF, formerly NSF);
- (6) field purchasing;
- (7) supply, budgetary, fiscal, and statistical functions in support of assigned military assistance and international logistics programs;
- (8) a centralized program to control the utilization of Navy storage facilities; and
- (9) centralized control of Presentation Silver.

- d. Performing assigned material support functions with respect to: material handling equipment, special clothing, food and other naval material for which such responsibility is not otherwise assigned;
- e. Performing supply management functions with respect to items of naval material which are assigned to the Naval Supply Systems Command for that purpose;
- f. Maintaining the official stores accounts for Navy material entrusted to the custody of an accountable officer;
- g. Managing, funding, and controlling, worldwide, the transportation of Navy property and the authorization and administration of the transportation and storage of property of naval and civilian personnel consistent with responsibilities assigned to the single manager agencies for transportation;
- h. Researching and developing efforts associated with the functions, methods, equipment, and materials assigned;
- i. Providing technical guidance with respect to preparation and service of food in galleys (except at naval hospitals), and providing assistance in the planning and layout of supply spaces ashore and afloat.

2. PROCUREMENT RESPONSIBILITIES

a. Cognizance. The Naval Supply Systems Command has cognizance of the procurement of materials and services throughout the department of the Navy for which no other procuring activity, office, or command is otherwise delegated procurement authority. In the discharge of this responsibility, the Commander, Naval Supply Systems Command may delegate appropriate procurement authority to personnel, both within and without his command, whom he designates as contracting officers. He may also authorize the heads of activities under his command to redelegate their procurement authority, or a portion thereof, to responsible personnel within their respective activities whom they designate as contracting officers.. Such authority will be exercised in accordance with limitations and requirements prescribed by the Commander, Naval Supply Systems Command and applicable regulations.

b. Material and Services for other Navy Procuring Activities. Within the limits of its capabilities, the Naval Supply Systems Command will procure material and services for other Navy procuring activities when requested to do so. The Naval Supply Systems Command is responsible for conducting the formalities of procurement by formal advertising for other Navy procuring activities to the extent provided in applicable regulations.

3. TECHNICAL GUIDANCE AND ASSISTANCE. The Commander, Naval Supply Systems Command, as the Navy's supply manager, will be responsible for the development and supervision of the Navy Supply System as an integrated and comprehensive entity. He is responsible also for combining into one overall system those supply and distribution systems composed of inventory managers, distribution activities, and methods of operation that function on the basis of centralized control of item assets and have as their objective responsive and efficient material support of the operating forces of the Navy, the hardware systems commands, and other offices and organizations.

01008 COMMANDER IN CHIEF

1. GENERAL. It is the responsibility of the Commander in Chief (CINC) of a fleet to keep the Chief of Naval Operations, Department of the Navy System Commands, and ashore activities informed of operational plans which may require changes in levels of supply support at shore commands which support the operating forces. CINCs are also responsible for making recommendations concerning the necessary levels of supply support at these shore activities. Fleet CINCs, through their designated logistics agents, will establish levels of supply for overseas bases under their logistics control.

01009 INVENTORY MANAGERS

1. GENERAL. Navy inventory managers are those organizational elements assigned the primary responsibility for the management of assigned groups or classes of items of supply. The primary function of a Navy inventory manager is to assure the proper balance between requirements and assets which will provide effective and efficient support to the fleet and the shore field activities of the Navy. Navy inventory managers include systems commands, project managers, bureaus, offices (including Military Sealift Command) and the Inventory Control Points (ICP) under the command of the Naval Supply Systems Command. A complete list of Navy inventory managers is contained in Appendix 18.

2. INVENTORY CONTROL RESPONSIBILITY. As inventory managers under the command of the Naval Supply Systems Command, the Navy Petroleum Office and the ICP exercise primary inventory control responsibility. Under Interim Contractor Supply Support (ICSS), the Hardware Systems Commands (HSCs) exercise primary inventory control responsibility for significant amounts of non-NSN items of supply. Inventory control responsibility requires the application of managerial supervision to integrate the actions involved in computation of quantitative and monetary requirements, initiation of procurement and disposal action, the positioning and repositioning of material, and the development of world wide quantitative and monetary inventory data. The inventory managers will participate directly in the various DOD and DLA inter-servicing and cataloging programs.

3. MATERIAL EXCLUDED. All material used by the Navy will be considered as items of supply and will be managed by the ICP except items assigned for management to a single agency or military service inventory manager for supporting retail stock or end use requirements of all the military services, and items managed by other Navy inventory managers.

01010 FLEET AND INDUSTRIAL SUPPLY CENTERS

1. FLEET AND INDUSTRIAL SUPPLY CENTERS. Fleet and Industrial Supply Centers (FISCs) provide a variety of logistics support services to fleet, shore activities and overseas bases. FISCs are echelon 3 commands and report to the Commander, Naval Supply Systems Command. In managing consumer end-use material, FISCs are responsible for determining inventory levels, procuring, receiving, stowing, issuing, shipping or delivering material to the customer. The two overseas FISCs also manage and store an intermediate level of inventory and Navy wholesale inventory for the Navy Inventory Control Point that directly supports the fleet. Fleet units send requisitions to the FISCs. FISCs will either issue the material depending on differing criteria or refer the requisition to the ICP. If the stock point makes an issue from wholesale stock, the FISC will report this transaction to the ICP. The ICP will use this transaction item report (TIR) to determine future procurements and positioning of the replenishment stock. FISCs also contract out to provide Servmarts which function as retail outlets. Fleet customers can use the Servmarts on a walk-in basis or have material delivered. An IMPAC card is required to purchase material from Servmart. An on-line shopping tool through the internet provides a standardized global means for procuring Servmart material. FISCs are listed below:

FISC Jacksonville	FISC Puget Sound
FISC Norfolk	FISC San Diego
FISC Pearl Harbor	FISC Yokosuka

01011 NAVAL REGIONAL CONTRACTING CENTERS (NRCCs), FLEET AND INDUSTRIAL SUPPLY CENTERS (FISCs) WITH REGIONAL CONTRACTING FUNCTIONS

1. RESPONSIBILITIES. NRCCs and FISCs with regional contracting functions are responsible for centralized buying and other purchase related functions assigned by the Naval Supply Systems Command. Among these assigned functions is the responsibility to provide professional contracting guidance to afloat units when requested by the cognizant fleet and/or Type Commander. This responsibility includes, but is not limited to the following:

- a. Conducting purchase training programs (buying activity with PMR);
- b. Providing technical contracting advice and assistance (any buying activity except for FISC San Diego);
- c. Providing legal counsel or service when required (any buying activity except for FISC San Diego);
- d. Assisting Type Commanders in reviewing and appraising afloat performance of purchasing functions (buying activity with PMR);
- e. Grant purchase authority to and perform Purchase Management Reviews (PMRs) of shore based fleet activities (buying activity with PMR).

2. LOCATIONS. NRCCs with PMR responsibility are located in Philadelphia PA; San Diego CA; Naples Italy; and Singapore. NRCC Washington and FISCs with regional contracting functions are located in Charleston, Norfolk, Jacksonville, Pensacola, Oakland, Puget Sound, and Pearl Harbor. The Fleet and Industrial Supply Center located in San Diego has regional purchasing functions for procurement actions accomplished under Small Purchasing procedures.

01012 NAVAL SHIPYARDS

1. GENERAL. The Naval Shipyards (NSYs) Norfolk, Pearl Harbor and Puget Sound are Navy owned, operated, and funded industrial installations stocking a selected range of material for the support of assigned industrial and maintenance requirements. Material management supply functions are provided by respective FISCs, under partnership agreements. The Portsmouth Naval Shipyard is assigned a mission of stocking a selected range of Navy owned material for the support of fleet units and Navy shore activities. Shipyards are under the management of the Commander, Naval Sea Systems Command.

Section II: DEPARTMENT OF DEFENSE

01020 DEFENSE LOGISTICS AGENCY

1. GENERAL. The Defense Logistics Agency (DLA) is a combat support agency. It provides material and supplies to the military services and support their acquisition of weapons and other equipment. Support begins with the joint planning with the services for parts for new weapon systems, extends through production and concludes with the disposal of material that is obsolete, worn out, or no longer needed. DLA provides supply support, contract administration services and technical and logistics services to all branches of the military. They manage supplies in the following commodity areas:

a. Clothing. DLA provides the services with uniforms, special purpose clothing and clothing-related items such as helmets, canteens and shoes.

b. Construction material managed by DLA ranges from common commercial items such as lumber and plumbing accessories to large equipment such as bulldozers and cranes.

c. Electronic supplies are items used in maintenance and repair of military equipment. These include microcircuits, resistors, solenoids, transformers, fiber optic assemblies, radar equipment, remote control systems for guided missiles and electronic countermeasures equipment.

d. Energy. DLA is the DoD material manager for bulk petroleum, natural gas, coal and electricity. DLA buys, stores and distributes fuel via tankers, barge, rail, truck and pipeline used by the military services, DoD components and federal civil agencies.

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e. Food. Subsistence supply requires purchasing food-fresh, canned, frozen or dehydrated-for use in dining halls and field units and for resale in military commissaries. Food must be of the highest quality. Because it may be served in a variety of locations-including overseas bases, in submarines or in the field-the food must be packaged and transported in a manner that retains its attractiveness and nutritional content.

f. General supplies. DLA manages items like material-handling equipment, machine tools, wet-cell batteries and photographic supplies. Additionally, it furnishes airborne gyro components and automatic pilot mechanisms. industrial supplies include such items as bearings, fasteners, rings, metal bars and electrical wire and cable.

g. Medical supplies. DLA supplies virtually all of the thousands of different drugs and medical, dental and surgical materials used by the military services. Medical items range from needles to MASH-type hospital units. weapon systems support. DLA provides many aircraft and automotive spare parts and components for the armed forces. Such parts include those for jet engines, rocket engines and turbosuperchargers.

01021 DEFENSE SUPPLY CENTER (DSC)

1. GENERAL. Defense Supply Centers (DSCs) consolidate the services' requirements and procure the supplies in sufficient quantities to meet the projected needs. The five DSDs are as follows:

- a. Defense Supply Center , Columbus OH (DSCC)
- b. Defense Energy Support Center, Fort Belvoir VA (DESC)
- c. Defense Supply Center, Richmond VA (DSCR)
- d. Defense Industrial Supply Center, Philadelphia PA (DISC)
- e. Defense Supply Center, Philadelphia PA (DSCP)

01022 DEFENSE DISTRIBUTION CENTER

1. GENERAL. The Defense Distribution Center (DDC) is a primary field activity of the Defense Logistics Agency. The DDC has 22 Distribution Depots (DDs) which are located throughout the United States. DDs are responsible for receiving, storing, and shipping commodities owned by DOD to all branches of the armed forces, as well as to other agencies of the federal government and some foreign governments.

01023 DEFENSE AUTOMATED PRINTING SERVICE (DAPS)

1. GENERAL. The Defense Automated Printing Service (DAPS) is a primary level field activity of DLA. They provide printing, copying, scanning, imaging, document conversion, CD-ROM, and web services. DAPS has over three hundred service offices throughout the world.

01024 DEFENSE CONTRACT MANAGEMENT COMMAND

1. GENERAL. DLA's Defense Contract Management Command (DCMC) is responsible for assuring that procured material is of satisfactory quality and is delivered when and where needed. DCMC services are performed at or near contractor plants through a complex of offices that vary in size, depending on workload and the concentration of government contractors in the area.

01025 DEFENSE LOGISTICS INFORMATION SERVICE

1. GENERAL. the Defense Logistics Information Service (DLIS) manages the Federal Supply Catalog System, which lists a National Stock Number and description for over six million items. This catalog system is used throughout the federal government. DLIS also maintains a data bank of information used to design, purchase, transport, store, transfer and dispose of government supplies.

01026 DEFENSE REUTILIZATION AND MARKETING SERVICE

1. GENERAL. The Defense Reutilization and Marketing Service (DRMS) provides for the redistribution and disposal of DoD equipment and supplies no longer needed by the original user. Assets are matched against requirements of the military services and federal agencies and transferred as needed. When equipment becomes surplus, it is offered to the General Services Administration and state agencies, after which it is sold to the public. DRMS is a worldwide organization with offices on most military installations.

PART B: ADMINISTRATION**Section I: MILSTRIP/MILSTRAP****01100 INTRODUCTION**

1. GENERAL. The Defense Logistics Management Standards Office (DLMSO) (DLA-LM) administers the standard logistics systems and programs under the policy guidance of the Assistant Secretary of Defense (P&L) per DoD Directive 4000.25. This manual provides policies, procedures, forms, and formats for Navy Supply System implementation of:

a. Military Standard Requisitioning and Issue Procedures (MILSTRIP), DoD 4000.25-1-M: i.e., the interchange of logistics information for requisitioning, supply advice, supply status, material issue, material receipt, material returns, redistribution, and reclamation processes.

b. Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), DoD 4000.25-2-M, i.e., the flow of inventory accounting information for receipt, issue, and adjustment actions.

c. Logistics Metric Analysis Reporting System (LMARS), DoD 4000.25-3-M, to prepare and collect basic data needed to measure supply system performance.

d. Defense Automatic Addressing System (DAAS), DoD 4000.25-10-M, to route logistics traffic and provide document processing and data information services using automated communications networks.

2. INTERFACE. These procedures often interface with other DoD standard systems listed below:

a. Military Standard Transportation and Movement Procedures (MILSTAMP), DoD 4500.32-R.

b. DoD Activity Address Directory System (DODAAD), DoD 4000.25-6-M.

c. DoD Military Standard Billing System (MILSBILLS), DoD 4000.25-7-M.

01101 SCOPE

1. GENERAL. MILSTRIP/MILSTRAP procedures are mandatory for all requisitioning and supply support activities which requisition and issue items of supply. These procedures also apply to all requisition documents processed or originated by Navy Inventory Managers and/or other management echelons. The uniform codes, forms, formats, and procedures for the transmission of item and financial inventory data - for all centrally managed items - are mandatory between inventory managers and transaction and/or cyclic reporting stock points in the Navy Supply System. MILSTRIP/MILSTRAP procedures apply to the Army, Navy, Air Force, Marine Corps, Coast Guard, Defense Logistics Agency, Defense Special Weapons Agency, Defense Security Assistance Agency, National Security Agency, and other activities/agencies that have agreed to participate in the system; including the General Services Administration (GSA).

01102 IMPLEMENTATION

1. GENERAL. The MILSTRIP/MILSTRAP procedures in this manual apply to both inter-Service/Agency and intra-Navy. Priority will be given to the development and implementation of inter-Service/Agency procedures prior to intra-Navy procedures. Separate intra-Navy systems/procedures are not be developed or used unless a waiver is approved. Requests for deviations or waivers will be considered when it can be demonstrated that the system (in question) cannot provide a workable method or procedure. Do not request deviation or waivers solely to accommodate existing internal procedures or organizational environment.

01103 EXCLUSIONS

1. COMMODITIES EXCLUDED. MILSTRIP/MILSTRAP procedures exclude the following commodities:

- a. Bulk petroleum, coal, and coke.
- b. Communications Security (COMSEC) Equipment, COMSEC Aids (keying material) and all items including classified components, individual elements, and repair parts that are classified and designated cryptographic, or that are normally handled through cryptographic channels.
- c. Cognizance I material including standardization documents and departmental letter-type directives, except for those assigned a 13 digit ordering number. Order GSA forms and publications in MILSTRIP format.
- d. Library books controlled the Chief of Naval Education and Training.
- e. MSC contract operated tankers. Requirements will continue to be submitted in accordance with existing procedures.

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- f. Industrial Plant Equipment. (DD Form 1419 will be used for requisitioning Industrial Plant Equipment.)
- g. Aircraft Propulsion Units. Aircraft engines are accounted for in accordance with the Naval Air Systems Command Instruction 13700.2 (series). They are subject to the requisitioning requirements of MILSTRIP, but excluded from the reporting requirements of MILSTRAP.
- h. Forms and publications except for GSA and Navy. Forms and publications assigned Navy and GSA NSNs may be requisitioned using prescribed MILSTRIP requisition format and procedures.

2. INTER AND/OR INTRA DEPARTMENTAL PURCHASING OPERATIONS. These procedures are not mandatory for items known to require commercial purchase action. Specific instructions telling you what form to use to requisition various commodities, including purchase actions, are contained in paragraph 03020.

01104 RESPONSIBILITIES

1. NAVAL SUPPLY SYSTEMS COMMAND (NAVSUP) will:

- a. Designate an office of primary responsibility for MILSTRIP/ MILSTRAP to serve as the system focal point and identify (by name) a primary and alternate focal point representative to the DLMSO System Administrators. They will:

- (1) Serve on the focal point committee and provide the Navy position. The Navy focal point makes decisions regarding procedures.

- (2) Ensure continuous liaison with the System Administrators and other Services/Agencies.

- (3) Evaluate suggested system changes that originate within the Navy, including beneficial suggestions.

- (a) If suggestions are received by the DLMS System Administrators, DLMSO will forward them to the appropriate Service/Agency focal point for evaluation.

- (b) If the suggestion is considered worthwhile, the focal point submits an official change proposal to the System Administrators, stipulating specific narrative changes to the manual.

- (4) Submit revision proposals to the System Administrators with justification and expected benefits.

- (5) Develop and submit to the System Administrators a single, coordinated Navy position on all system change proposals within the time limits requested.

- b. Provide the System Administrator with copies of supplemental and internal procedures related to the approved system's operation.

- c. Provide the System Administrators with a semiannual status report of implementation of approved changes.

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- d. Carry out internal training to implement and operate approved systems. Furnish copies of training instructions to the DLMS System Administrators.
- e. Review, evaluate, and update - at least annually - the curriculum of internal training programs to confirm training adequacy.
- f. Provide representation to joint system design and development efforts, and on-site evaluations of the systems, in coordination with the respective System Administrator.
- g. Continually review internal procedures to prevent and eliminate duplication of records, reports, and administrative functions related to DLMSO information.
- h. Provide the System Administrators with annual blanket printing fund authorization and bulk distribution lists to cover all printed changes to their manuals.
- i. Ensure that all operating activities that support a DLMS function comply with DoD publications issued by the System Administrator.
- j. Report problems, violations, and deviations that arise during system operations.

01105 SYSTEM CHANGES

1. SUBMISSION. Submit proposed or suggested changes to MILSTRIP/MILSTRAP to the Navy focal point, NAVSUP Code 4113. The Navy focal point will analyze and evaluate the change and, if accepted, will forward it to the DLMS System Administrator. Submit a proposed or suggested change as: (1) a command-sponsored proposed revision; or (2) an individual beneficial suggestion under the DoD Incentive Awards Program. It should contain the following information:

- a. A narrative description of the basic concept being proposed and the reasons why the change is needed.
- b. Known interface and impact requirements identifying changes for coordination with other DLSS or non-DLSS systems.
- c. Operational statement identifying known advantages/disadvantages resulting from the proposed revision.
- d. Proposed wording required for the MILSTRIP or MILSTRAP manual.

2. STAFFING. Proposed revisions can be submitted by any Service/Agency focal point. All proposals will be evaluated prior to formal staffing with the Services/Agencies. Requests that do not demonstrate significant interservice benefit will be returned to the originating Service/Agency. Requests that do demonstrate significant benefits will be formalized as proposed MILSTRIP/MILSTRAP Change Letters (PMCLs) and forwarded to ASD (M,I&L), the participating Services/Agencies, and the DoD System Administrators of other DoD systems impacted by the proposed change.

3. FORMALIZED CHANGE LETTERS. Formalized Proposed MILSTRIP and MILSTRAP Change Letters will be consecutively numbered and will normally request the Services/Agencies to provide a response within sixty (60) days. The PMCL will request a coordinated Service/Agency response. The Navy focal point will staff the PMCL with designated Navy contact points. The focal point will consider all comments and resolve dissenting comments.
4. DLMSO RECEIPT AND EVALUATION. Proposed change letters not receiving complete Service/Agency concurrence will be scheduled for resolution at a subsequent meeting of the designated Service/Agency focal point representatives. Procedural matters will be resolved by the System Administrators, normally within ninety 90 days after the receipt of all comments from the participating Services/Agencies.
5. IMPLEMENTATION DATES. Following resolution of the Service/Agency comments on PMCLs, the DoD MILSTRIP System Administrator will prepare and provide to the Service/Agency MILSTRIP focal points a letter requesting Service/Agency preferred cyclic (1 May or 1 November) implementation dates. Such Requests for Implementation Dates (RFIDs) will normally request that Service/Agency implementation dates be provided within 60 days. Following receipt and evaluation of the Service/Agency preferred cyclic implementation dates, a DoD cyclic implementation date will be selected and announced by the DoD MILSTRIP System Administrator through dissemination of an Approved MILSTRIP Change Letter (AMCL). AMCLs will be consecutively numbered and, where practical, distributed to the Services/Agencies at least 9 months prior to the approved implementation date. The purpose of AMCLs is to help the Services/Agencies to plan any necessary systems program/design efforts to effect the change.

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CHAPTER 2

SUPPLY SYSTEM MANAGEMENT

PART A: INTRODUCTION

02000 PURPOSE

This chapter covers policies, procedures, and formats that Navy inventory managers use to effectively manage their supply items.

02001 BACKGROUND

The following policy and procedures have been developed with the Systems Commands, Inventory Control Points, and Stock Points that comprise the Navy Material Support Establishment. This publication endeavors to provide a single set of standardized instructions which field activities can base their operating procedures in areas like Requisition Processing, Transaction Reporting, Change Notice Cards, etc. Inventory managers will not publish individual instructions to field activities for any procedures covered in this chapter. If needed, inventory managers can submit requirements for waivers, deviations, or coding modifications to the Naval Supply Systems Command for inclusion in this publication.

02002 SYSTEM FLEXIBILITY

These procedures have been developed to provide coding techniques and formats which accommodate supply management under centrally controlled transaction item reporting systems, centrally controlled cyclic reporting systems, and locally controlled retail systems. This has been done by establishing rules for the processing of requisitions and requests for Planned Requirements/Reservations. And also providing coding techniques used by stock points to keep records.

02003 CONTENT

This chapter provides ready access to the policy, narrative procedures, and detailed formats used in specific types of supply action. It addresses the effective control of input and/or output data required to transmit supply information between the customer, stocking activity, and inventory manager.

PART B: SYSTEM DESIGN AND POLICY**02050 SYSTEM DESIGN**

1. GENERAL. The procedures, formats, and coding throughout this publication are designed to provide the Navy Material Support Establishment with a total supply management system. Included are the requirements of the various military standard procedures (MILSTRIP, MILSTAMP, MILSTRAP, UMMIPS, etc.) as well as requirements under the Federal Cataloging Program, Material Utilization, and Inter-Service Support procedures. This "system design" is predicated upon the concept of complete control over supply actions on a single line item basis. The inventory manager is responsible for managing centrally controlled items. Although inventory managers have procedural options in the area of transaction reports, the procedures related to the processing of action type documents (Requisitions, Planned Requirements, Reservations, Disposal Directives, etc.) have been standardized to ensure responsive and positive support of Navy requirements.

2. MAINTAINING STOCK RECORDS USING MILSTRAP. Supply is basically managed through the establishment of a supply record by the inventory manager. This record is a facsimile of the supply record at reporting stock points. Supply records are kept up-to-date by stock points reporting their changes (during the processing of action type documents, transaction reports, etc.) and posting them to record. In order to ensure the validity of the record maintained by the inventory manager and the basic records maintained by the stock points, - the related transaction reports, cyclic reports, and/or action type documents must contain standardized formats and codings. MILSTRAP provides this standardization. This chapter shows how MILSTRAP Purpose, Condition, and Management Codes are used to increase and decrease stock records. These codes are included in: 1. all documents processed by the inventory manager and 2. all output documentation from a stock point to advising the inventory manager which stock record has been adjusted.

02055 STOCK RECORD CONCEPT

1. PURPOSE CODES. Purpose Codes are assigned to all quantities of stock held on inventory records and are used to designate what purpose the stock is intended. They are mandatory on all MILSTRAP transactions. Normally, stocks held for authorized requisitioners are held under and issued from Purpose Code "A" stock records. However, in certain instances, quantities of an item may be set aside or "reserved" for specific purposes. In these instances, the "reservation" may exist in one of two forms:

a. Stock retained in the same storage location/bin. The "reservation" is a memorandum record on the Purpose Code "A" Stock Balance Card.

b. Stock in other than a normal issue storage location (Out of Bin). The "reservation" is retained on a separate stock balance record.

- 2. SAME BIN. The following Purpose Codes represent stock retained in the same storage location/bin. They are shown as a cumulative quantity on a single stock balance record under Purpose Code A. Memorandum records are retained by the stocking activity and by individual detail card to support the cumulative total quantity reflected in the Planned Requirements or Reservation fields of the Purpose Code "A" Stock Balance Record. To avoid confusion with DoD Ownership Code (numeric) 0, assignment of Purpose Code (alpha) O is unauthorized:

Purpose Code	Record Position	Definition
A	On Hand	That total quantity of material held in store (and in the storage location) under the condition code reported
B,C,D,E,F,G, H,J,K,M,N	Reservations	That portion of the quantity reflected in the "On Hand" field which is held and protected to support a specifically designed program. The quantity material available for issue is the On Hand quantity less the reservation quantity.
S	Planned Requirements	That quantity of material recorded and reported representing an unfirm expected to become firm in the future.
Z	Planned Requirements	Local requirements. May represent a level of stocks, that quantity of material located in shop's stores or preposted Planned Requirements or Reservations prior to confirmation by the inventory manager.

3. OUT-OF-BIN. Purpose Codes L,Q,T,V,W, and Y represent "out-of-bin" and are reflected as a cumulative quantity in the "On Hand" field on a separate stock balance record and under its own Purpose Code. In instances where the total quantity reflected represents material in separate locations, an individual record is retained by the stocking activity to support each quantity making up the cumulative total:

NOTE: "F" is a reportable Purpose Code under the Conventional Ammunition Inventory Management System (CAIMS) in accordance with NAVICP MECHINST 8010.12 Series.

4. SPECIAL RULES FOR OUT-OF-BIN STOCK RECORDS.
- a. A separate stock balance record is established for Purpose Codes L (On Loan), Q (JCS Allocated Stocks), T (NALC Controlled), V (Progressive Rework), W (Special Pools) and Y (Contaminated).
 - b. All transactions are under the specific purpose code.

c. Transfers between Purpose Codes are not authorized between consumer level End-Use (Stores Account 55000) inventories and Wholesale/Intermediate Level (Stores Account 51000) inventories. Specifically, Purpose Code transfers will not be allowed for Depot Level Repairable (DLR) 7_/0_Cog End-Use inventories (see paragraph 2060-9a) held in Purpose Codes W/L to other Purpose Codes (e.g., A or V) or from other Purpose Codes to W/L. Purpose Code transfers within End-Use inventories from W to L or L to W are permitted.

d. ICP direction to transfer between Purpose Code A and V, Q or Y is by the Dual Adjustment Card (DAC) reflecting both the "From" and "To" Purpose Codes.

02060 POLICY

In order to ensure the responsiveness of the Navy Supply System, to make total system assets available to Navy requisitioners and to standardize processing procedures for Navy FISCs, the following policy is established:

1. REQUISITION PROCESSING.

a. GENERAL. All material requirements are forwarded to the designated source of supply (FISC or ICP) unless emergency or local purchase authority is authorized.

(1) Requirements that cannot be identified to an existing NSN are processed in accordance with the policy and procedures outlined in paragraph 04325.

(2) Normally FISCs will Fill, Kill, or Pass/Refer. No automatic backorders are authorized regardless of priority. Emergency local purchases of material by FISCs without prior pass or referral are reported to the ICP. This is done by transaction reporting a receipt not from due for the quantity purchased and offset by a D7A issue transaction.

b. BELOW RESERVATION. Issues below reservations will not be made unless directed by the ICP, except when the requisition contains a Purpose Code other than "A" and matches (by Document Number) an ICP directed reservation held by the FISC.

c. Requisitions will not be processed against stock balance cards under Purpose Codes L, T, V, W, and Y. Only Referral Orders or Redistribution Orders with a "certified release code" in rp 72 from the ICP can be processed against such records.

d. ICP OUTPUT DOCUMENT. All output transactions (A, B, and D series of documents) processed by an ICP will contain the appropriate Purpose and Condition Codes in the output document in order to address the correct FISC balance card.

2. PLANNED REQUIREMENTS/RESERVATIONS PROCESSING.

a. All requirements for Planned Requirements/Reservations must be requested from the ICP. FISCs may establish Planned Requirements locally; however, they will not be protected unless requested and approved by the inventory manager.

b. For items of supply managed by Navy ICPs, the ICP may elect to protect centrally, or direct the stock point to protect, by transmitting a backorder transaction against the appropriate Purpose Code to the stock point. The ICP must provide the customer with a "status card" when the reservation is protected at the stock point. If protected centrally, an acknowledgment card must be provided to the customer.

c. Customers requisitioning against a pre-established requirement at a Navy ICP must use the same Document Number as in the request. The Purpose Code reflected in the Acknowledgment/Status Card will also be perpetuated. In this respect, customers must construct the Document Number in the request card in accordance with MILSTRIP.

d. All requests for establishment of Planned Requirements/Reservations for DLA managed items called Special Program Requirements are processed in accordance with DLA Regulation 4140.41 (NAVSUPINST 4440.121).

3. DEMAND DATA. Demand reporting by stock points on a transaction reportable item is not required. All demand is collected centrally through the Transaction Reporting or Requisition Processing Procedures. Demand data is collected centrally for items which cannot be identified to an existing NSN. Based upon the demand data collected, ICPs will determine whether the item should be established as a standard stock item and take appropriate action accordingly.

4. DUE-IN DATA. Stock points will not maintain Due-In Data on centrally managed transaction reportable items as part of their stock balance record. ICPs will provide Prepositioned Material Receipt Cards to facilitate processing at the Receipt Control level. Stock points will maintain Due-In Data on centrally managed cyclic reportable items based on Due-In Cards provided by the inventory manager.

5. CHANGE NOTICE CARDS.

a. DELETION AND DISPOSAL ACTIONS. Inventory managers will not issue Change Notice Cards reflecting deletion and disposal of items until.

(1) Excess material has been subjected to utilization screening as outlined in paragraph 02150.2.

(2) System stocks have been attrited or disposal directives have been issued to stock points.

(a) Stock points will normally receive deletion and disposal Change Notices after system assets have been disposed of in accordance with the above inventory managers' actions. However, additional assets may be received by stock points subsequent to processing of such disposal directives. In such instances, the stock point will not advise the inventory manager that stock of the deleted item is on hand, but will take the action indicated by the deletion/disposal change notice.

b. COGNIZANCE TRANSFERS. Inventory managers will ensure that any needed unit price adjustment resulting from cognizance transfers are effected prior to or concurrent with the effective date of cognizance transfer.

6. INTERIM REQUISITIONS. (not applicable to Ammunition Material Cognizance OT, 2T, 4T, 6T, 8T, 2E, 4E and 8E).
 - a. Under transaction item reporting procedures, the inventory manager is totally responsible for the stock position at the stock points. Therefore, interim requisitions for stock by a reporting stock point are authorized under the procedures prescribed in paragraph 04280.
 - b. Under cyclic reporting procedures, the stock position may change unexpectedly between reporting cycles. Therefore, interim requisitions for stock are authorized for cyclic reporting activities.
 - c. Interim requisitions in support of retail outlets may be submitted to the inventory manager only as provided in paragraph 044655.
7. PROCESSING STANDARDS. Inventory control points will process requisition type documents in accordance with provisions of the Uniform Material Movement and Issue Priority System standards as outlined in OPNAV Instruction 4614.1 latest series.

PART C: PROCEDURES

SECTION 1

02110 PURCHASE OPERATIONS

1. GENERAL. Inventory managers initiate procurement actions to establish initial system stocks of material, replenish systems stocks, for outfitting allowances and other special programs, and for direct delivery to end-use customers. On occasion, due to variations in programming data or to satisfy immediate requirements of a more urgent nature, it becomes necessary for the inventory manager to divert scheduled shipments to another location (relocation). The specific method and documentation selected by an inventory manager to effect the procurement action is beyond the scope of this publication.
2. INVENTORY MANAGER RESPONSIBILITIES. The inventory manager is responsible for providing the recipient of material with a copy of the procurement instrument and selected documents to update stock records, or to facilitate material receipt when the material is delivered. (Procurement instruments as prescribed in Federal Acquisition Regulation (FAR) are defined as commercial contracts, interdepartmental purchase requests (MIPRs), and other related documents. Excluded from this definition are all intra-service Project Orders, Work Requests, and Work Directives.) In addition, the inventory manager is responsible for furnishing the recipient with changes to such data when the change requires revision to the recipients action/reaction to the receipt processing. Further, in order to provide the recipient with procurement data as rapidly as possible, the inventory manager will provide the documents via automated means whenever the recipient has such communication facilities. The documents to be provided the recipient are as follows:

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- a. TRANSACTION REPORTING STOCK POINTS. A Prepositioned Material Receipt Card (Procurement Instrument Source) using DI DU_ in the format provided in Appendix 28.
- b. CYCLIC REPORTING AND NON-REPORTING STOCK POINTS. A Due-In Transaction Card (Procurement Instrument Source) using DI DD in the format provided in Appendix 28.
- c. CANCELLATION. Cancellations of the above actions is done by transmitting an exact duplicate of the original card with an X punch in rp 25.
- d. CHANGES. Changes are done by transmittal of two documents. The first document an exact duplicate of the original document with an X punch in rp 25 to cancel the existing record and the second document to provide the corrected data. Control will be exercised through the assignment of a new date in rp 77-80 of the second document.

3. STOCK POINT RESPONSIBILITIES. Cyclic reporting and nonreporting stock points are responsible for expeditiously posting the Due-In record to the stock balance record upon receipt of the Due-In Transaction Card, DI DD_. Stock points will not post the due quantity on the stock balance card upon receipt of the Prepositioned Material Receipt Card, DI DU_. Upon receipt of the material, the stock point will assure that the receipt is taken up on stock records as expeditiously as possible and that the resulting transaction report (if applicable) is prepared and transmitted to the inventory manager as shown in Appendix 28.

02115 DEMAND DATA REPORTING ON LOCAL PURCHASE/MANUFACTURE

1. GENERAL. Navy ICPs have the capability to accept, record, and control automatically demand data for both stock numbered and nonstock numbered actions resulting from local purchase/manufacture. The collection and recording of this demand is an important element in identifying future material requirements and in positioning material.
2. SCOPE. The provisions of this section are applicable to all Navy activities initiating local purchase/manufacture actions to satisfy their own or customer material requirements. Submission of appropriate demand only transactions is mandatory.
3. DEMAND DATA RECORDING.
 - a. Demand only transactions, DI DHA, are submitted to the integrated material manager of record (e.g., NAVICP PHIL, NAVICP MECH, DLA, GSA) for all stock numbered items. These items should be coded for local procurement and obtained through local purchase, manufacture, or repair (i.e., customer service depot repairs and concurrent rework). The only exception to this requirement is when local action is initiated based on direction from the cognizant Navy ICP or other DoD inventory manager subsequent to receipt of a previously submitted requisition for which demand has already been recorded. Navy ICPs will record demand for all material requisitions received even though local purchase/manufacture/repair action. This includes recording of demand data for "fill/kill" requisitions submitted by Navy industrial activities in accordance with NAVICP MECHINST 4235.109 (latest series). All DHA transactions submitted to GSA will contain Routing Identifier Code GGO in rp 4-6.

b. Demand only transactions, DI BHJ, are transmitted to the appropriate Navy ICP for nonstock numbered items satisfied through local purchase/manufacture actions when: (a) the item can be positively identified by the referenced CAGE and part number without the need for additional identifying item characteristics; and (b) the item is required in support of weapon systems/end items for which Navy ICPs have program support responsibility. The only exceptions to this requirement are: (a) nonstock numbered items purchased/ manufactured locally at the direction of Navy ICPs subsequent to receipt of requisitions for which demand has already been recorded; and (b) Source Code MD (manufacture locally) items addressed under Note #2, paragraph 1h of enclosure (2) to FASOINST 4225.1 (latest series). Cataloging and stock determination reviews for the aforementioned Source Code MD items will not be initiated based on BHJ transactions submitted by manufacturing activities. Demand data for nonstock numbered items repetitively purchased/manufactured locally for which the CAGE and part number do not positively identify the items, or for items which are not weapon systems/end item related, or for items required in support of commercial equipment not normally provisioned by the Navy ICPs, is reported to the appropriate Navy ICP through use of NAVSUP Form 87 (ICR-Item Control Recommendation) as prescribed under paragraph 21144, Chapter 2, NAVSUP Manual, Volume II, Supply Ashore.

c. All BHJ transactions must contain a Navy ICP assigned NICN or a part number reference in rp 7-28. In addition, when a part number reference is contained in rp 7-28, a CAGE must be contained in rp 59-63. BHJ transactions containing other than the specified data in rp 7-28, or lacking a CAGE in rp 59-63 when a part number reference is contained in rp 7-28, are returned to the submitting activity via a reject transaction, DI BHX, for corrective action.

4. RESPONSIBILITIES.

a. Requisitioning activities will:

(1) Conduct research to the maximum extent possible to determine if a National Stock Number (NSN) exists prior to submission of a part numbered requisition.

(2) Provide maximum data, i.e., CAGE, technical reference data, application, and nomenclature data, with your requisition to assist the supply system in technical research to identify the needed material.

b. Purchasing activities will:

(1) Conduct research to the maximum extent possible, including DLSC screening, to ascertain the existence of a NSN prior to initiating local purchase or manufacture action.

(2) Ensure that demand only transactions, DIs DHA/BHJ, are submitted to the appropriate ICP in accordance with paragraph 3, above, for all stock numbered and nonstock numbered items satisfied through locally directed purchase or manufacture action by your activity. Demand only transactions are submitted regardless of source document used, (e.g., requisition, purchase request, work order) by customer activity to request supply action. Determination of the appropriate Navy ICP to receive BHJ transactions are based on the technical reference data entered in rp 48-58 of the demand only transaction (e.g., Type of Equipment to NAVICP PHIL, APL/CID to NAVICP MECH).

(3) Receive, review and correct BHX rejects from the ICPs based on the Reject Code and resubmit as valid BHJ transactions.

c. Inventory Control Points will:

(1) Receive, process and record all DHA/BHJ transactions accepted.

(2) Return incorrectly prepared BHJ documents as BHX rejects in accordance with paragraph 3c, above.

(3) Cite error codes on BHX documents, rp 43-44, as follows:

KA Blank Part Number

KB Blank CAGE

KC Blank Part Number and CAGE

KG Non Alpha Type of Technical Reference Document Number

KH Blank Technical Reference Document Number

KJ Blank Nomenclature

KN Part Number submitted crossed to NIIN in rp 55-63.

(4) Review all accepted BHJs and catalogue/stock those meeting the ICP criteria for cataloging/stocking determinations.

SECTION 2

02120 MATERIAL RECEIPT PROCESSING (OTHER THAN PROCUREMENT INSTRUMENT SOURCE)

1. MISCELLANEOUS RECEIVING.

a. GENERAL. Material in a serviceable or unserviceable condition will be received when:

(1) An activity turns in unserviceable Mandatory Turn-in Repairable material in accordance with the Master Repairable Item List (MRIL) (NAVSUP Pub 4107) or other applicable instructions. Document Identifier D6A applies to the receipt transaction item report and MTR full screen procedures apply when unserviceable DLRs are received on DI BC1 in accordance with NAVSUPINST 4419.2 (series) and procedures outlined here.

(2) An activity determines the material either exceeds requirements or is no longer required in the performance of its mission. DI D6A through D6K apply in transaction reporting the receipt after MTIS processing per Chapter 6, Section II.

(3) Commercial concerns return government furnished material. DI D6H applies.

(4) The Defense Reutilization and Marketing Office returns material previously transferred to disposal but recouped by ICP requisition to return the material to the supply system. DI D6J applies.

(5) The data elements and punching alignment of the Material Receipt Card (DD Form 1486) used to report material turned into store containing DI D6__, is shown in Appendix 28.

b. INVENTORY MANAGER RESPONSIBILITIES. Inventory managers will ensure the validity of stock point originated transaction item reports (in the D6 Series) submitted on DD Form 1486 (DoD Material Receipt Form) or Transaction Item Report (TIR). ICPs will process valid reports against stock records and return invalid reports to the submitting stock point for correction and/or resubmission.

c. STOCK POINT RESPONSIBILITIES. Upon receipt of material, the reporting stock point will:

(1) Take expeditious action to take the material up on stock records and submit the receipt transaction report (if applicable) to the inventory manager. The report should be submitted under the appropriate DI in accordance with Appendix 4, taking care to perpetuate the pertinent sections of the 1348-1A under which the item was received. The appropriate condition code will be shown.

(2) Provide credit for material turned into store for such items and in such percentages as has been prescribed by the inventory manager through transmittal of a "Credit" Code in Change Notice Cards and/or approved publications; or as has been specified on an FTR response to a creditability inquiry to the wholesale manager.

(3) If material already reported as turned into store under a given condition code is in a condition other than that reported, take expeditious action to submit the necessary material condition adjustment transaction records (DBC and D9C) to correct condition on the inventory manager records.

(4) For activities stocking conventional ammunition, Material Turned Into Store (MTIS) will be taken up on the stock balance record immediately by use of turn-in documents supplied by the returnee. If condition code is in doubt, take up as K Condition. The receiving activity will prepare turn-in documents if such are not furnished. The transaction report to the item manager must be followed up by inventory control personnel to expedite redesignation from the suspended condition code.

2. MATERIAL RECEIVED AS A RESULT OF A REDISTRIBUTION ORDER.

a. GENERAL. Redistribution Orders, DI A2__ will be used by inventory managers to direct the redistribution of material from one reporting stock point to another. Such actions will result in the receipt of material at the receiving stock point under a 1348-1A bearing DI A2_. In such cases, The inventory manager is responsible for providing the receiving stock point with either a Prepositioned Material Receipt Card, DI DWK, or a Due-In Transaction Reporting Card, DFK. This will help the receiving stock point take-up of the material when received.

b. INVENTORY MANAGER RESPONSIBILITIES. Inventory managers are responsible for providing the receiving stock point with either the Prepositioned Material Receipt Card, Document Identifier DWK, or Due-In Transaction Reporting Card (DI DFK) in accordance with the format shown in Appendix 28. If the consignor activity has advised of a short shipment, the inventory manager will adjust the consignee's Due-In record to reflect the actual quantity shipped. For ammunition, the inventory manager will reverse the PMRC/due-in card previously given the consignee and replace it with one showing the revised quantity.

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c. STOCK POINT RESPONSIBILITIES. The receiving stock point is responsible for expeditiously taking the item up on its stock records and reporting the receipt to the inventory manager. The resulting receipt transaction report will be a DI D6K. The D6K will perpetuate the data provided by the inventory manager.

(1) Except for ammunition, all receipts under Redistribution Orders are considered final. Therefore, if the quantity received is less than on the Due-In/Prepositioned Receipt Card held, the balance will be treated as canceled. If Due-in records are posted, they will be adjusted locally.

02130 REQUISITION PROCESSING/ISSUE PROCEDURES

1. GENERAL. The initial supply source (includes stock points and inventory managers but does not include NAVICP International Programs) will record date of receipt in rp 67-69 of each Requisition, Referral Order, and Redistribution Order received. The actual date of receipts shall be captured in requisitioning documents whether received in manual or automated form.

a. This date may be captured by supply or communications terminal personnel in the individual requisitions and must be in accord with the applicable AUTODIN header document receipt date.

b. This date will be perpetuated into subsequent referral orders when moving within the same distribution system but will not be perpetuated into subsequent referral orders when moving between different distribution systems. (In the latter case, positions 67-69 will be blank.)

c. Date of receipt will enable supply sources to compute the requisition submission time. Computation will be made by subtracting the date in rp 37-39 of the demand document from rp 67-69, recognizing the year indicator in rp 36 when the value of rp 67-69 is less than that in rp 37-39.

d. Submission time in the aforementioned documents will provide a basis for the inventory control points to measure the first cycle segment of supply effectiveness. The Routing Identifier FROM when used will be placed in rp 74-76 of referral orders and redistribution orders.

e. Management Control Activities (MCAs), when processing DoD Contractor initiated requisitions for Government Furnished Material (GFM), will use the following procedures.

(1) Management Control Activities (MCAs) receiving maintenance contractor initiated requisitions (AO__), modifiers (AM__) and follow-ups (AT__), irrespective of method of transmission, will process such transactions in accordance with procedures prescribed here. Based upon criteria furnished by Procurement/Contracting Offices, MCAs will validate the data elements and codes in these requisitions and accomplish changes, reject, or continue processing actions, as indicated in following chart:

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<u>Code or Data Element</u>	<u>Validation of Entry in Card Column</u>
Document Identifier	If DI is A01, A02, A04, A05, A0A, A0B, A0D, A0E, AT_, A3_, A4_, or AM_ (for RDD, project code, PD, or advice code), continue to GFM validation.
Stock Number Field	If blank or incorrect reject. Verify part number/National Stock Number against contract to determine contractor issue authority and keep processing or reject if unauthorized.
Unit of Issue	Validate the unit of issue in conjunction with the quantity. Note: If a change of unit pack has occurred, appropriate adjustment should be made for quantity authorized.
Quantity	If blank or invalid, reject with Status Code CD. If the requisitioned quantity exceeds the remaining quantity authorized, reject the quantity which exceeds the authorized quantity with Status Code DJ. If authorized quantity has been exhausted by previous requisition(s), reject total quantity requisitioned with Status Code DQ.
Requisitioner	Discard if blank or incorrect. If not authorized, reject with Status Code DN. supply source for normal processing.
Document Number	If blank or incorrect, reject with Status Code CD.
Supplementary Address	If contractor DODAAC, and affected by signal code, and incorrect or not authorized, reject with Status Code DN
Signal and Fund Codes	If signal and fund codes indicate issues without contractor reimbursement, process as GFM; otherwise consider as Contractor Furnished Material (CFM). CFM requisitions are not subject to MCA review.
Distribution	Enter distribution code for the MCA and continue processing.
Manufacturers Directive Number	Other Services may use the MDN in rp 54-56 in lieu of the PIIN in rp 73-80. If the MDN option is used and the MDN equates to a valid contract number, validate; other wise, reject with Status Code DB.
Contract Call Order	If specified by the contract, and entry is blank or Number incorrect, reject with Status Code DB.
Procurement Instrument Identification Number(PIIN) (last 8 positions)	If blank, or contract is not on MCA file, or is expired, reject with Status Code DB. (If not using the MDN option, rp 54-56, then the last eight positions of PIIN is mandatory.) Navy will always use the last 8 positions of the PIIN.

(2) Each MCA will be assigned a unique Routing Identifier Code (RIC) and Distribution Code. RICs are contained in Appendix 7 and Distribution Codes can be found in Appendix 3.

(3) Under emergency conditions, such as a potential contract work stoppage, the MCA may receive telephonic requisitions, PD 01-08, for GFM. When this occurs, the MCA may telephone the requisitions to the appropriate supply source and validate the requirements afterward. If the post validation process reveals the requisitioner is not authorized GFM, the following actions will be taken:

- (a) Submit cancellation requests to the appropriate supply source.
- (b) Advise the appropriate authorities for determination of fraud, waste, and abuse.

(4) Following validation of contractor initiated requisitions (AO_), modifier (AM_) and follow-ups (AT_) for Government Furnished Material, the requisitions, or internal transactions (optional only when the MCA and SOS are collocated in the same distribution system), will be forwarded to the appropriate supply source, through DAAS, with the following changes entered in the document:

- (a) Routing Identifier Code (RIC), rp 4-6 will contain the RIC of the Source of Supply.
- (b) Distribution Code of the MCA will be entered in rp 54. For Service/Agency contractors other than the Navy, enter the MDN consisting of the MCA's distribution code in rp 54 and two other alpha/numeric characters in rp 55-56.
- (c) The data in rp 69-80 will be deleted.
- (d) Routing Identifier Code of the validating MCA in rp 74-76 of passing or referral orders.

(5) DAAS will route all contractor initiated requisitions (AO_), modifiers (AM_) and follow-ups (AT_) for Government Furnished Material, coming from an MCA, to the correct supply source.

(6) MCAs will validate the data contained in the AX1 transactions received from the supply source. This validation must be completed and a DI AX2 created and forwarded to the applicable supply source within 5 days of receipt of the AX1. The format for the AX2 is contained in Appendix 28. The AX2 will be validated as follows:

- (a) If the requisition has been previously validated, the AX2 will contain Advice Code 2M.
- (b) If the requisition has not been previously validated and the call order number/PIIN (or MDN) is not present, the AX2 transaction will contain Advice Code 2U.

(7) If the requisition has not been previously validated and the call order number/PIIN (or MDN for other services) is present, validate the data elements as indicated in subparagraph 02130.1.e(1), and generate the AX2 as follows:

(a) If the validation process reveals that the contract is not valid, the AX2 will contain Advice Code 2U.

(b) If the validation process reveals that the requested quantity exceeds the contract authorized quantity, the AX2 will contain Advice Code 2R and the quantity (that can be supplied) will be entered in rp 25-29.

(c) If the validation process reveals that the requested quantity totally exceeds the contract authorized quantity, the AX2 will contain Advice Code 2Q.

(d) If the validation process reveals that the requested item or requisitioner, of DODAAC in rp 45-50, is not authorized GFM under a valid contract, the AX2 will contain Advice Code 2V.

(e) If the validation process reveals that the requested item is authorized, the AX2 will contain Advice Code 2M.

(8) MCAs in receipt of AE_ transactions with Status Code BF will review for establishment of a valid GFM requisition. If a valid requisition exists, a AT_ transaction will be generated. If a valid requisition does not exist, a report will be generated for internal review. Subsequent receipt of a valid requisition will be processed under the procedures/validation process in subparagraph 02130.1.e.(1).

2. INVENTORY MANAGER RESPONSIBILITY. In selecting the stock point which is to fill a requisition-type document, the inventory manager will consult his record of stock status at the various stock points. It is, therefore, mandatory that the action document referred to or directed to the stock point reflect appropriate management coding, in rp 70-72, to indicate the specific stocks from which issue is to be made. In addition, the inventory manager, when the situation dictates, will replace the customer submitted Advice Code into a Status Code in order to provide the stock point with pertinent requisition processing direction or guidance.

a. Requisition Processing, DI AO_ Material requests which require the inventory manager's approval prior to issue, or which otherwise reach the inventory manager as direct requisitions (AO_), will be processed by the inventory manager in accordance with the following, as applicable.

(1) REJECTION DUE TO INABILITY TO PROCESS. When it is considered appropriate to discontinue processing (for example, due to erroneous or missing data) the requisition will be rejected. For U.S. forces, a status document (DI AE) will be provided to all eligible recipients (includes rp 30-35, 45-50 and 54). regardless of the Media and Status Code in rp 7. For ILP transactions, status will be provided only to the status recipients designated by the Media and Status Code, rp 7, and Distribution Code, rp 54, entries. The Status Code which explains the reason for the rejection will be inserted in rp 65-66 of the Status Card.

(2) Requested Material is Cognizant to Another Inventory Manager. When the item on the material request document is managed by another inventory manager, construct a Referral Order and pass the requirement to the correct inventory manager, or reject the requirement to the customer as indicated by the following:

(a) Account Changed from APA to NSA. Continue supply processing and notify the requisitioner to establish a financial obligation record using appropriate Status Code.

(b) Account Changed from NSA to DLA. Continue supply processing and notify the requisitioner to revise the financial obligation record using the appropriate Status Code.

(c) Account Changed from NSA to APA. Continue supply processing and notify the requisitioner to revise financial obligation record using appropriate Status Code.

(d) Account Changed from DLA to APA or NSA. Continue supply processing and notify requisitioner to revise financial obligation using appropriate Status Code.

(3) ISSUE FROM AVAILABLE MATERIAL. When the inventory manager reviews material availability at stock points and elects to direct the issue of material from that source, he will take the following action:

(a) Direct issue of material at the selected stock point by constructing a Referral Order, DI A4_, which is then forwarded to the stock point. Purpose Code (rp 70), Condition Code (rp 71), and Management Code (rp 72) will be mandatory entries in the Referral Order.

(b) If a referral order is the result of an inventory manager's backorder release for issue down to the reservation level, Management Code D or J will be shown in rp 72. Management Code E or L with Special Coding Indicator D in rp 78 will be used when indicating a backorder release for issue below the reservation level.

(c) Furnish a Status Document, DI AE_, to the applicable activity as determined from rp 7 and 54 of the material request document.

(4) DEFERRED REQUISITIONS. When requisitions are deferred by the ICP or the requisitioner requests deferral, the requisitioner will receive Status Code BP to denote the requisition has been deferred with an estimated shipping date in rp 70-73.

(5) BACKORDER. When the inventory manager's review for material availability is negative, he may elect to establish the request as a backorder either centrally or at a stock point supporting a DOP backordering against material due from repair.

(a) CENTRALLY RETAINED BACKORDER. A Status Document, DI AE_ , will be provided as determined from rp 7 and 54 of the material request document. The estimated shipping date will be inserted in rp 70-73 of the Status Document. If the inventory manager elects to fill the request via direct delivery from purchase, the Status Document provided to designated recipients will contain a Status Code BZ. When the contract is firm, a Direct Delivery Supply Status Document, DI AB_ will be provided as determined by rp 7 and 54 of the material request document.

(b) NF BACKORDER ESTABLISHED AT A STOCK POINT. Direct backorder to the selected stock point by constructing as Referral Order DI A4_ which then forwards it to that stock point. Management Code H will be inserted in rp 72 of the Referral Order. Furnish Status Document, DI AE_ to applicable activity as determined from rp 7 and 54 of the material request document. Status Code NF will be put in rp 65-66 of Status Document. The RIC of the stock point which is to establish the backorder will be put in rp 67-69 of the Status Document.

(c) MATERIAL OBLIGATION VALIDATION (MOV). The MOV procedures are described in paragraph 02142.

(6) ISSUE OF SUBSTITUTE ITEM. When reviewing the material availability, the inventory manager may determine that the request can be filled through the issue of an acceptable substitute item. In some instances, the customer activities approval of such action may be required. When customer approval has been received or is not required, the inventory manager will change the material request document to reflect the substitute item stock number and process the material request with the changed stock number in accordance with subparagraph 2a(3) or (4), above, as appropriate.

b. REDISTRIBUTION ORDER PROCESSING, DI A2_. Redistribution Orders will be used by the inventory manager to move stock material between reporting stock points. They will also be used to relocate material to designated overhaul (repair) points when those activities are reporting activities to the inventory manager. A separate Redistribution document will be used for each Condition Code of the material which is to be relocated. In order to accomplish redistribution of stock, the inventory manager will take the following action:

(1) Forward Redistribution Order, DI A2_ , to the releasing stock point (the consignor)

(a) Purpose Code (rp 70) and Condition Code (rp 71) are mandatory entries in the Redistribution Order.

(b) Management Code K will always be entered in rp 72.

(2) Furnish expected receipt information to receiving stock point (consignee) as follows:

(a) A Prepositioned Material Receipt Card, DI DWK, will be furnished to transactions reporting activities.

(b) A Due-In Transaction Card, DI DFK, will be furnished to cyclic reporting activities.

c. REFERRAL ORDERS. Referral Orders will be used (1) by inventory managers to move material reported in store at stock points to specific end use at a customer activity, and (2) by stock points or inventory managers to pass requisitions for continued supply action by an inventory manager when stock is not locally available.

(1) SPECIAL PROGRAMS. Referral Orders may be used for special programs such as new construction, overhaul, outfitting, etc. which are identified by the Project Code in rp 57-59 of the A4_ document. They are not authorized for use in directing redistribution of general issue stocks between reporting activities within the inventory manager's system. When preparing a Referral Order, the inventory manager will also forward a Status Document, DI AE_, to the activity in rp 31-35 and/or to the program monitoring activity in rp 54.

(2) **PASSING ACTION.** Requisitions that cannot be filled and are passed to the correct inventory manager for action are also considered as Referral Orders. When a not carried item is referred to another Navy source (including bounce backs or ICP referral/distribution orders) the referring activity will insert N in rp 77 in addition to structuring the referral in the normal manner. This will permit proper demand recording and creation of audit trails.

(a) **WAREHOUSE REFUSALS.** Referral Orders which contain Special Coding Indicator T in rp 78 signify point of entry requisitions being referred to the inventory manager for action as a result of warehouse refusals; demand recording should not be duplicated for these. When stock points are unable to fill Redistribution Orders (A2_) issued by the inventory manager, they also pass (i.e., return) those documents to the inventory manager as Referral Orders. Referral Orders will be processed as requisitions, except as noted below.

(b) **"BOUNCE BACK" REFERRAL OF A REDISTRIBUTION ORDER.** If the Referral Order contains Management Code K in rp 72, it is a "bounce back" referral of a Redistribution Order issued by the inventory manager. Since the Redistribution Order is to be considered complete at the time action was taken by the consignor (i.e., for that quantity not referred back to the inventory manager), the inventory manager will use the Referral Order to adjust his stock balance records for both consignor and consignee. Thereafter, the Referral Order will be destroyed.

(c) **NON-NSN REQUISITIONS.** Non-NSN Requisitions (mechanical) when passed or referred will be forwarded to another supply source. If there is no reference data in rp 70-80, automated communications or a message will be used. If there is reference data in rp 70-80, it will be the option of the passing/referring activity to omit the reference data and forward by automated communications or message, or perpetuate pertinent reference data and forward by mail. When material is centrally managed, the inventory manager is responsible for assuring the availability of material to satisfy customer requests. Stock points are responsible for processing and issuing to fill customer requests from available material. They may not issue below inventory manager established levels of material, nor may they establish backorders when material to fill the request is not immediately available unless specifically directed by the inventory manager.

a. **REQUISITIONS (DI A0_) NOT RECEIVED FROM AN INVENTORY MANAGER.** Stock points will process requisitions (A0_) from customer activities for possible issue from General Issue (Purpose Code A) stock as follows.

(1) **IF PURPOSE CODE A MATERIAL AVAILABLE.**

(a) Issue material unless prior approval is required from the inventory manager. If issue is made, transaction reporting activities will submit and issue transaction report in the appropriate D7_ series to the inventory manager.

(b) If inventory manager approval for issue is required, refer it to the inventory manager and furnish a status document (AE_) to the status recipient(s) as determined from rp 7 and 54 of the material request document.

(2) IF PURPOSE CODE A MATERIAL IS NOT AVAILABLE.

(a) If the request document carries a "Fill or Kill" Advice Code, reject the request to the customer. (No transaction report is required.)

(b) For all other requests, forward the request document to the inventory manager and furnish a Status Document (AE_) as determined from rp 7 and 54. The following entries must appear in this Status Document:

- 1 Routing Identifier of the inventory manager in rp 67-69.
- 2 Status Code BM in rp 65-66.

b. Referral Order Processing - Navy inventory control points will refer customer requisitions to stock points using DI A4_ .

(1) Stock points will receive referral orders and issue the material as directed by the Purpose Code (rp 70), Condition Code (rp 71) and Management Code (rp 72) as cited in the requisition referral order.

(a) Issue below the inventory manager established reservations when the Management Code is E or L.

(b) Issue to the level of inventory manager established reservations when the Management Code is D or J.

(c) Process no issues against stock records under Purpose Codes L, V, W or Y unless that code appears in rp 70 and Management Code D, E, J or L appears in rp 72 of the referral order received from the inventory manager.

(2) If material is not available at the stock point in the Purpose Code, Condition Code, or total quantity requested, the following procedures will be followed:

(a) For partial quantity issue, make issue of available quantity on a suffix of the original referral order, and refer the unfilled balance back to the inventory manager using the appropriate suffix code in rp 44 and issue transaction code in rp 72.

(b) For total denial of the referral order, the requisition must be referred back to the inventory manager using the appropriate issue transaction code in rp 72 which explains the reason for denial. All issue related transaction codes are listed in Appendix 2. The only reasons for denying (i.e., bouncing back) referral orders are listed below. They're listed with the corresponding issue transaction code:

<u>Issue Transaction Code</u>	<u>Reason</u>
1	Stock exhausted; unsuccessful storage activity search has been made.
2	Material not available in condition code requested.
3	Material not available in proper shelf-life.
4	Material not available in type pack requested (subsistence only) or specified lot number cannot be released (ammunition only).
5	Material being reclassified or reidentified.
6	No record of NSN at storage activity.
7	Zero balance in issuable condition on storage record; no record of location; warehouse search has not been conducted.
8	Partial quantity available for issue.
9	Item cannot be issued in the continuous length requested.
W	DODAAC/MAPAC of designated material recipient cannot be identified.
X	Consignee, freight forwarder or country representative has advised that issue of this material will constitute a duplicate shipment. ICP referral orders will NOT be indiscriminately denied by stock points.

(3) Provide a Status Document (AE_) to the status recipient(s) as determined from cc 7 and 54 of the Referral Order.

(4) Transaction reporting activities will submit an issue transaction report in the appropriate "D7_" series to the inventory manager for the quantity issued.

(a) Issue transactions using Document Identifier D7L will be submitted to report transfer of:

- 1 Components for assembly action
- 2 End items for disassembly action
- 3 End items for conversion and modification

(b) Transfer of material to commercial activities or intra-Navy industrial activities for repair will be reported by submission of issue transactions containing DI D7M. Issue of material for repair by another Service or Agency will be reported in accordance with paragraph 02160.5.

(c) Transfer of items for testing will be reported as follows:

1 Items for destructive testing by submission of issue transactions containing Document Identifier D7G.

2 Items for testing at a commercial or government activity by submission of issue transactions identified by Document Identifier D7M.

(5) Requisition cancellation requests processed by stock points, when the requisition was received as a Referral Order from an ICP, will be processed as follows:

(a) Provide cancellation confirmation to the customer.

(b) Submit a reversal transaction report to the ICP if an issue transaction report has been submitted to the ICP.

(c) Submit a Referral Order to the ICP with Management Code C in rp 72 when the cancellation action is effected prior to issue action being taken.

c. REDISTRIBUTION ORDER PROCESSING (DI A2_). Stock points will receive Redistribution Orders which are issued by the inventory manager as outlined in subparagraph 2b above. Processing of the Redistribution Order will thereafter be as follows:

(1) Issue material in accordance with the guidance contained in the following card columns of the Redistribution Order:

<u>Card Columns</u>	<u>Code</u>
70	Purpose Code
71	Condition Code
72	Management Code

(2) Transaction reporting activities will submit a D7K transaction report to the inventory manager for the quantity issued. The transaction report must perpetuate data elements which appeared in rp 70-72 of the Redistribution Order.

(3) Reject any quantity which cannot be filled to the inventory manager as a Referral Order (A4_). Management Codes 1 through 9 will be used to identify reasons for denial in rp 72 of the Referral Order. For ammunition only, the inventory manager will thereafter take action to cancel the PMRC held by the consignee, replacing with one reflecting the revised quantity due the consignee.

(4) The quantity actually shipped by the consignor stock point will be considered to be the final quantity. The consignee stock point will transaction report (DI D6K) that quantity received to the inventory manager. The matching Prepositioned Material Receipt card will be processed as a final shipment, except for ammunition. Receipts of ammunition will be processed as partial or final, as matched against the quantity shown on the PMRC.

(5) When no quantity is shipped by the consignor stock point, that activity will refer the Redistribution Order back to the ICP as a Referral Order (A4__). Management Codes 1 through 9 will be used to identify reasons for denial: The ICP will thereafter take action to cancel the Prepositioned Material Receipt Card held by the consignee by reissuing the original Prepositioned Material Receipt Card with an X overpunch in rp 25.

4. REQUISITION MODIFIER PROCESSING BY INVENTORY MANAGER. Upon receipt of a Requisition Modifier Document, every effort will be made to make the required change. Inventory managers will provide status to eligible recipients as follows:

a. When the inventory manager has no record of the original requisition, the modifier document will be converted and processed as a new requisition regardless of priority.

b. When the modifier document contains invalid entries for data elements listed in paragraph 03320 (which would require rejection under requisition edits prescribed in paragraph 04015) the modifier request will be rejected by supply status (DI AE__) with Status Code D7.

c. When the requisition modifier document is not honored because the requested modification cannot be made, supply sources will provide supply status with Status Code B2.

d. When the requested modifications have been successfully processed, supply status with Status Code BK will be provided.

e. If the original requisition is centrally backordered or is held but has not yet been processed, the priority RDD, Media, and Status Code or Distribution Code will be amended in accordance with the modifier document. The latest supply status will be provided to the requiring activities.

5. INVENTORY CONTROL POINT STATUS PROCEDURES. For each requisition, modifier document, redistribution, referral, passing, and material release order processed, - supply sources will furnish supply and/or shipment status.

a. Supply sources will transmit DI AE8/AS8 transactions to DAAS for all supply source initiated requisition status. Upon receipt by DAAS of the A__8 status transaction, DAAS will convert the A__8 to the appropriate DI AE__ or AS__ and make distribution. Except for cancellations and rejections, status will be furnished by DAAS to the activity designated by a significant M&S code in rp 7 and to the activity designated by a significant alphabetic distribution code or significant numeric code in rp 54.

b. For each shipment on a DTID, shipping activities will furnish shipment status (DI AS3 with Distribution Code 9 in cc 54) to the DAAS for transmission to DPDS.

c. Supply and shipment status DI AE8, AS8, and AU8 are reserved for use between Services/Agencies and DAAS.

(1) The use of DI AE8/AS8 is mandatory for all supply source initiated requisition status. Supply source initiated requisition status includes all status generated during supply source processing that is not produced in response to follow-ups or cancellation requests.

(2) The use of DI AU8 in response to cancellation requests, when the MILSTRIP status distribution rules require multiple recipients of status, is optional. Upon receipt of DI AU8 reply to cancellation request - shipment status, DAAS will convert the AU8 to the appropriate DI AU__ transactions and make distribution to all eligible status recipients.

d. DI AE8/AS8 will indicate to DAAS that supply source initiated status is being provided as a result of requisition processing.

02131 REQUISITIONS ORIGINATED BY THE U.S. COAST GUARD

1. NORMAL REQUISITIONING. Navy stock points receiving requisitions from the Coast Guard (Service Code "Z") for normal requirements are processed in the same manner as those requisitions received from Navy sources except that issues will be made on a cash sale basis.

2. INITIAL OUTFITTING OF COAST GUARD VESSELS. Under the Basic Agreement with the Naval Material Command (OPNAVINST 4000.79A), Hardware Systems Commands will provide allotments to Outfit Supply Activities to finance both Navy Stock Account (NSA) and Appropriation Purchases Account (APA) material in support of Navy-owned equipments. These requisitions will show Service Code N and will cite Navy Fund Codes and a Navy "bill to" activity to accept changes, or to enable processing of statistical charges.

3. FOLLOW-ON SUPPORT PROCEDURES FOR NAVY-OWNED EQUIPMENT. Per the provisions of OPNAVINST 4000.79A, Coast Guard follow-on requisitions for material used on Navy-owned equipment aboard Coast Guard vessels and aircraft, are processed as follows:

a. Requisitions for Navy Stock Account (NSA) material will be honored by Navy Inventory Control Points (ICPs) and stock points on a cash basis. Reimbursement to the Coast Guard by the Navy will be effected quarterly as prescribed in OPNAVINST 4000.79A, paragraph 4B.

b. Requisitions for Navy APA material is processed on nonreimbursable basis as follows:

(1) Requisitions will bear a D or M signal code and no fund code.

(2) The Coast Guard normally submits requisitions for Navy APA material directly to Navy ICP or SYSCOM inventory manager. When Navy stock points are the point of system entry for Coast Guard requisitions, they will immediately receive and process them with a priority 01-03 (NAVSEA-managed items are under prior-to-issue restrictions, Stock points must obtain approval prior to release on priority 01-03 requisitions) and notify the appropriate Navy ICP or SYSCOM inventory manager after issuing. Stock points receiving other Coast Guard requisitions (priority 04-15), as the initial point of system entry, will refer them to the appropriate Navy ICP or SYSCOM inventory manager. If any discrepancies are apparent to an ICP after the ICP has been notified by the stock point, the ICP will bring them to the attention of the cognizant Systems Command. The discrepancies will be resolved at the Headquarters level.

c. Under normal conditions Coast Guard requisitions for APA material in support of Navy-owned equipment will not be rejected by either Navy stock points or ICPs without the consent of the cognizant Systems Command. However, items with issue/repair/requisition restrictions or fleet controls are considered exceptions to the above; e.g., special propulsion and nuclear material. Requisitions for this type of material received from the USCG will be processed in the manner and precedent authorized by the material releasing authority. If a requisition for NSA or APA material not in support of Navy-owned equipment (determination to be made by Navy ICP or SYSCOM inventory manager in case of APA material) is received without a fund code citation; the requisition will be returned for fund code citation i.a.w. MILSTRIP procedures.

02132 REQUESTS FOR NAVY MATERIAL ORIGINATED BY MILITARY SEALIFT COMMAND (MSC)

1. GENERAL. Requests submitted by MSC activities for items in Navy system stocks will be processed in the same manner as requests from Navy activities.

a. MSC activities and contract operators will submit MILSTRIP requisitions for material under the cognizance of Navy inventory managers through prescribed MSC channels to the Navy activities designated as sources of supply of such material for Navy ships, except purchase action will not be delayed in order to allow for economic ordering due to lack of stock funds if such a delay would miss the RDD (Required Delivery Date).

b. MSC ships and contract operators are authorized to submit requisitions through prescribed MSC channels for material to stock points when ships are at or in the immediate vicinity of such supply points. The stock points receiving such requisitions will furnish material from on-hand stock, or, if not available, the requisition will be processed in accordance with existing supply system procedures.

c. Requisitions for items listed in the ML-N that are temporarily out of stock will be processed in the same manner as Navy requisitions. MSC is authorized to make local purchase when necessary to meet operating schedules.

2. INVENTORY MANAGER RESPONSIBILITIES. The inventory manager will ensure that MSC requests for items in Navy system stock are processed through the system in the same manner as requests from Navy activities.

a. MSC will accept authorized on-hand substitute or interchangeable items when the part requisitioned is not in stock or not carried and expected receipts will not meet the date on which the material is required. When an I&S item is not acceptable to the MSC requisitioner, the requisition for the not stocked item will be rejected to the MSC for purchase. MSC will procure nonstock numbered items as well.

b. In instances when MSC requires assistance in purchasing marine/ nautical material, Navy inventory managers will provide assistance to MSC when requested. Requests submitted by MSC will be processed in accordance with the provisions of NAVSUP P463, Navy Assignments Under DoD Coordinated Procurement Assignments.

3. STOCK POINT RESPONSIBILITY. Upon receipt of MSC requisitions, process the request against General Issue (Purpose Code A) stock balance records and:

a. Issue material, if available, and forward an issue transaction report (D7A) to the inventory manager. Bill shipment of material to MSC as a cash sale in accordance with Chapter 9. Billings for material issued from stock will be at standard prices reflected in the ML-N. When lack of stock funds necessitate procurement under MSC funds, the material cost at purchase price will be charged directly to MSC funds. Billings will be paid by the 10th of each month on Standard Form 1080, or other approved billing document. The payment must be supported by a mechanically prepared listing of documents and the related punch card reflecting appropriate data pertaining to sales or creditable returns. Billings will be forwarded to MSC Payment Office indicated in the requisition.

b. If material is not available:

(1) Reject the request if the Advice Code contains "fill or kill" instructions.

(2) Refer the request to the inventory manager as a Referral Code (A4_) and provide Status (AE_) in accordance with rp 7 and 54 of the material request document.

02133 ISSUE OF MATERIAL TO FILL INTERSERVICE REQUESTS

1. GENERAL. The Defense Utilization Manual (DSAM 4140.1) requires inventory managers to report assets and requirements using the report formats contained therein.

2. INVENTORY MANAGER RESPONSIBILITY. Inventory managers, upon completion of inventory stratification, are required to report any excesses of serviceable or repairable material to the Defense Logistics Support Center (DLSC) prior to initiating a disposal program. The excesses are matched by DLSC against requirements from other inventory managers who will be advised that such excesses are available upon request. Additionally, friendly foreign governments may interrogate through DLSC for requirements.

a. Requiring inventory managers will take the following action:

(1) Submit a MILSTRIP Requisition (A0_) for excesses, including the following:

(a) Enter J, K or L in rp 40.

(b) Advice Code 2J in rp 65-66.

(c) The following entries in the Remarks Section, in the sequence shown:

- 1 The reimbursable/nonreimbursable code which appeared in rp 72 of the offer card.
- 2 Condition Code (A through G, as appropriate).
- 3 Offer expiration date as extended, if appropriate.
- 4 Transportation allotment number.

b. Holding inventory managers will take the following action upon receipt of Requisitions (AO_) with J, K or L entered in rp 40:

(1) Refer the request as an A4 Referral Order to the stock point for issue processing. Status Code "ND" will be entered in rp 65-66.

(2) Provide Status Cards (AE_) as determined from rp 7 and 54 of the Requisition. Status Card entries will include the following:

(a) Status Code BM in rp 65-66.

(b) Routing Identifier of the stock point to which the request was referred in rp 67-69.

(c) Advise DLSC within 30 calendar days subsequent to the expiration date shown in the Requisition Remarks, regarding any quantity which cannot be shipped. A shipment denial card (JSN) will be used for this action.

3. STOCK POINT RESPONSIBILITY. Upon receipt of Referral Orders (A4_) bearing a J, K, or L entry in rp 40, stock points will take the following action:

a. Issue available material and submit an issue transaction report (D7B) to the inventory manager.

b. Additionally, if an item is not carried, enter an N in rp 77, in accordance with Appendix 9.

c. Furnish Status Cards (AE_) in accordance with rp 7 and 54 of the material request document. M & S codes (RP 7) do not apply for reinstated requisitions (DI APR).

d. Requisitions and related documents containing "L" in rp 40 will be referred to the Property Disposal Officer.

02134 ISSUE OF NAVY MATERIAL TO FILL MILITARY ASSISTANCE PROGRAM REQUESTS

1. GENERAL.

a. Material requirements generated by foreign customers under the International Logistics Program (ILP) include:

(1) Grant Aid Requisitions originated and submitted by the Military Assistance Advisory Group (MAAG) for which the United States Government is not reimbursed.

(2) Foreign Military Sales Requisitions for which the United States Government is reimbursed.

b. The Naval Inventory Control Point International Programs Directorate (NAVICP-OF) Phila., PA has been assigned the responsibility of monitoring the ILP and must receive status on all ILP requisitions.

c. Formats for ILP requisitions which are submitted on Form DD 1348 are contained in Appendix 28. The various codes needed to identify an ILP requester, method of shipment, etc., which make up an ILP document number are contained in the Volume II appendices.

d. Detailed instructions for all phases of the International Logistics Program are contained in Chapters 6 and 9.

2. INVENTORY MANAGER RESPONSIBILITIES. ILP requisitions are subject to the same processing procedures as Navy requisitions (see paragraph 02130). Requisitions for centrally managed material are routed to the inventory manager; those for decentralized material are routed to NSC Norfolk or NSC Oakland depending upon the location of the recipient. Special processing techniques must be applied to requisitions routed to the inventory manager. For Grant Aid requisitions, the inventory manager will change the fund code when applicable to indicate whether or not the item can be issued as a "free issue." Referrals for issue of material will be forwarded to the East/West Coast stock point nearest the freight forwarder for FMS, or to the requesting country for Grant Aid to preclude cross country hauling and ensure earliest possible delivery. When an inventory manager identifies an ILP request as an NSN under another inventory manager's control, a passing order will be prepared to forward the request to the appropriate inventory manager. Status cards from inventory managers will be prepared to forward the request to the appropriate inventory manager. Status cards from inventory managers will be forwarded to NAVICP-OF as required by the entry of Distribution Code F in rp 54 of the requisition.

3. STOCK POINT RESPONSIBILITY. Stock points will process Referral Orders for ILP in the same manner as referrals for Navy (see paragraph 02130), except that Supply Status and Shipment Status will always be furnished to NAVICP-OF as required by the entry of Distribution Code F in rp 54 of the requisition.

4. NAVICP-OF RESPONSIBILITY. All controls will be maintained by NAVICP-OF for ILP requisitions. It will be the responsibility of the NAVICP-OF to enter MAP requisitions for supply direct to the inventory manager responsible for the material so that screening can be done at the inventory manager level.

02135 REQUISITION FOLLOW-UPS

1. GENERAL. Requisitioners who have not received a status card within the time frame prescribed in Chapter 6 may submit a follow-up card (AF or AT series) to the activity to whom the request was originally forwarded. If a status card has been received, the follow-up card will be addressed to the activity shown in rp 67-69 of the status card. In order to reduce the number of inquiries, routine automatic follow-up action will not be taken on outstanding requisitions.

2. INVENTORY MANAGER RESPONSIBILITY. Upon receipt of a follow-up request, inventory managers will:
 - a. If the original request has been referred to another activity, readdress the follow-up to the holding activity by changing the routing identifier. Send supply status to the customer with Status Code BM in rp 65-66 and the holding activity's Routing Identifier in rp 67-69.
 - b. If the request is still held by the inventory manager, a reply to follow-up card (AB or AE Series) will be prepared duplicating the information in the original status card, except for the transaction date which will reflect the date of the reply.
3. SUPPLY SOURCES. Supply sources in receipt of follow-ups on requisitions for which lateral redistribution action was taken will provide applicable status as follows:
 - a. If the current status is BA and the ESD or the UMMIPS time frames, whichever applies, has not passed, provide BA status with the appropriate ESD to the requisitioner.
 - b. If the current status is BA and the ESD or the UMMIPS time frames, whichever applies has passed, provide B5 status to the requisitioner and generate a DI AF6 with the RI of the reporting activity in RP 4-6 and a "2" in RP 54.
 - c. If the current status is positive shipping status DI AS_, provide DI AS_.
4. DI AF6. Supply sources in receipt of responses to DI AF6 follow-ups will furnish appropriate status to eligible recipients using Chapter 2.

02136 CANCELLATION OF REQUISITIONS (NONSTOCKED ITEMS)

1. GENERAL. Cancellation of requisitions and resubmission of a new requisition under a higher priority are permitted for standard stock items. However, nonstocked items must be ordered from a manufacturer and fund commitments must be made when the order is placed. When the Status Code (BV) provided by a Supply Status Code indicates that item is under procurement, the requisitioner is then liable for the charges for the material. Requisitions for nonstocked items should never be canceled so that resubmission under a higher priority can be made. Instead, expediting action should be requested from the inventory manager by telephone, message, or letter in prescribed MILSTRIP manner (citing part number, document number, quantity, etc.) and providing the detail of the specific action desired. Once advised that a nonstocked item is under procurement, requisitioners are requested to hold cancellation requests to a minimum and submit such requests only when it is firmly determined that material cannot be used.
2. PROCEDURES. Procedures for submission and processing of cancellation requests are outlined in paragraphs 03360 and 04100.

02137 SINGLE MANAGER CONVENTIONAL AMMUNITION FREEZE/UNFREEZE ACTIONS

1. GENERAL. Processing of MILSTRAP and MILSTRIP transactions such as mismatched Location Audit Reconciliation Request Cards (DIC DZH) or Material Release Denials (DIC A6___) may require the Single Manager for Conventional Ammunition (SMCA) to freeze, and when resolved to unfreeze, wholesale assets at a specific storage activity for a given NSN/Part Number, Ownership/Purpose Code, and Supply Condition Code.
2. DOCUMENT IDENTIFIER. When such freeze or unfreeze actions are taken, the SMCA will provide a Single Managed Conventional Ammunition Freeze/Unfreeze Action (DIC DAI or DA2 as appropriate) to the owning Service ICP for update of the ICP wholesale financial accountable records.

02139 ISSUE OF MATERIAL ON LOAN

1. GENERAL. Upon occasion, Navy-owned material may be issued from stock on a loan basis. When properly authorized by the inventory control point, such issues may be made. Loans of stores account material will not be made to another naval activity. Intra-Navy movement of stores account material will be an issue to end use or transfer to another accountable officer. When the loan is to be made to other military services or to other Federal agencies, or for extended periods, with the possibility that material may be returned to other than the issuing stock point, the inventory control point will centrally negotiate the loan and direct the issue of the material. Issues of Navy-owned equipment, minor property, and material to contractors or private parties under a custody receipt are prohibited (see NAVCOMPT Manual, para. 035627-1). However, property such as drawings, specifications, or sample items to be used in conjunction with the submission of bids may be furnished to prospective contractors when the invitation for bids, proposal, or quotation provides for the furnishing of such property (see NAVCOMPT Manual, para. 035627-1). These transactions are not considered loans.
2. ICP-DIRECTED ISSUE ON LOAN BASIS. The inventory control point will negotiate the issue and return of material on a loan basis and direct such issue.
 - a. INVENTORY MANAGER RESPONSIBILITIES.
 - (1) Negotiate the duration of the loan of material and all details pertaining to point of issue and return of material.
 - (2) Issue an "exception data" Referral Order (A4E or A45, as applicable) to the stock point which is selected to make the loan. Clear text instructions will be inserted in the remarks block of the Referral Order indicating that one copy of the 1348-1A on which the material is shipped will be provided to the Financial Inventory Division (Code 0142), Naval Inventory Control Point (NAVICP) Mechanicsburg, PA or the Material Accounting Division (MAS 2-A), NAVICP Philadelphia, PA depending on the material cognizance.
 - (3) During the loan period maintain a central stock balance record which reflects the location of the loaned material.

(4) When advised by the activity holding the loaned material that it is ready for return, designate the turn-in stock point for such return and provide turn-in instructions to the holding activity. The instructions provided will specify that the Document Number of the original Referral Order on which loan issue was made, will be perpetuated in turn-in documentation. The instructions will also specify that a copy of the turn-in document (1348-1A or DD 250, as applicable) will be furnished to the Financial Inventory Division (Code 0142), NAVICP Mechanicsburg, PA or the Material Accounting Division (MAS 2-A), NAVICP Philadelphia, PA depending on the material cognizance.

(5) Issue a Prepositioned Material Receipt Card, Document Identifier (DWN), to the consignee activity (i.e., the stock point to which the loaned material will be returned). The Prepositioned Material Receipt Card will perpetuate the Document Number from the Referral Order on which the loan issue was made.

b. STOCK POINT RESPONSIBILITIES.

(1) Reporting stock points which make issue of the loan material in accordance with the ICP Referral Order will transaction report the issue to the ICP using Document Identifier D7N.

(2) Reporting stock points which receive material returned from loan, as a match against the ICP-furnished Prepositioned Material Receipt Card, will report such receipt to the ICP using Document Identifier D6N.

SECTION 3

02140 BACKORDERS (REQUISITIONS, RESERVATIONS, AND PLANNED REQUIREMENTS)

1. SCOPE. This section pertains to the establishment of backorders for requisitioned material and the procedures to be employed for the establishment and control of reservations and planned requirements for material centrally controlled by Navy inventory managers. The following definitions are used in connection with backorder procedures:

a. BACKORDERS. A commitment made to customers by inventory managers that material required by customer will be available by a specific date to fill:

(1) Requisitions which cannot be filled from system stocks within UMMIPS time frame.

(2) Firm or anticipated customer requests for delivery of material at a future date.

b. BACKORDER - OBLIGATION. An action taken by an inventory manager to record a commitment to a customer. The customer's requisition for material will be filled automatically on or before the date of availability specified by the inventory manager via Status Card data.

c. BACKORDER - RESERVATION. An action taken by an inventory manager to commit material to a customer's funded requirement and ultimately fill it at a future date. Material will be available by the required date against the reservation.

d. BACKORDER - PLANNED REQUIREMENT. An action taken by an inventory manager to commit material to a customer's unfunded anticipated future need and to fill funded requisitions or directives placed against the requirement by the required date.

2. GENERAL.

a. **BACKORDERS.** Navy policy says that inventory managers are responsible for approving backorders covering centrally controlled material and for protecting the backorders on their records. Inventory managers may elect to hold backorders on their central records and/or establish the backorder on a particular stock point record. In either event, it is the responsibility of the inventory manager to inform the customer of approval or rejection of his request and, when approved, tell the customer when and where the backordered material will be available. Inventory managers are not responsible for filling or protecting backorders placed on stock point records without their prior approval. Customers are responsible for reviewing backorder status and acknowledgment documents (provided by inventory managers) and for prompt cancellation when necessary. Upon receipt of a referred requisition, the inventory control point determines the availability of the item in the supply system. If the item is unavailable, the ICP will decide whether material is due from scheduled overhaul and will arrive by the date required by the requisitioner. If yes, the requisition may be backordered. If no, action will be taken to furnish the item within the UMMIPS time frame: Consider using mobilization reserve stock, cannibalization, return for local fabrication or priority procurement. ICPs won't normally backorder Priority Designator 01 through 08 requisitions - unless it's the fastest means of satisfying the requirement.

b. **HOW IT WORKS.** The techniques used in establishing and processing backorders (i.e., obligations, reservations and/or planned requirements) are detailed in paragraphs 02141, 02142 and 02143. The techniques in each instance are similar in that the action starts with a customer requirement which is submitted to and approved by the inventory manager. The inventory manager will inform the customer by status-type or acknowledgment-type documents that the requirement will be "protected" and when the material will be available. Customers are expected to promptly notify the inventory manager when any changes occur to the requirements. Certain differences in the above techniques are based on the need for material (i.e., immediate or future) and the availability of funds. These are indicated by the entries on action and information documents which flow between the customer and the inventory manager, or between the stock point and the inventory manager.

c. **BACKORDERS - OBLIGATIONS.** Backorders - obligations follow normal requisitioning procedures prescribed by MILSTRIP. Regardless of whether the backorder is retained centrally by the inventory manager or locally by a stock point, material will be released as soon as it becomes available. When multiple backorders are held, they will be released according to priority designator. Within priority those requisitions which contain an OSD/JCS project code will be released first. Those NMCS requisitions which require expedited handling (indicated by 999 in the Required Delivery Date (RDD) field - rp 62-64) will be released next; this will be followed by regular NMCS then ANMCS requisitions; then those non-NMCS/ANMCS requests by the earliest RDD assigned and finally by those requisitions with the earliest Julian date. NMCS/ANMCS or non-NMCS requisitions may be modified by the requisitioners. The requirement may be reduced from a NMCS condition when the urgency of need has been reduced or increased from a non-NMCS status to a NMCS/ANMCS status.

d. BACKORDERS - PLANNED REQUIREMENTS/RESERVATIONS. Processing planned requirements and reservations are separated into three distinct functional operations:

(1) The action of the customer to request a planned requirement/reservation and the inventory manager's resulting reply.

(2) The action taken by the inventory manager to protect approved planned requirements/reservations.

(3) The requisitioning (draw out) of protected material by the customer.

e. Planned requirements/reservations used for protection on stock point or central inventory manager records will be protected and controlled using the document number of the original request. Since such requirements are guaranteed to be available, the protected stock is not released until the customer's requisition (which has to match the reservation document record) requests the material. However, the material can be issued to fill high priority requirements. Customers should make every effort to match the requisition they use to draw-out material to the planned requirement/reservation record. Customers should also perpetuate the management codes contained in the Acknowledgment/Status Reservation Cards provided by the inventory manager. Requisitions received at a stock point which do not match the established record will be issued from General Issue Stocks (not reserved). If General Issue Stocks are not available, and the request cannot be related to the protected record, the requirement will be passed to the inventory manager.

3. CONTROL CODING. The following MILSTRIP/MILSTRAP codes are used by the inventory managers to exercise control in processing backorders:

a. PURPOSE CODES. These codes are entered by the inventory manager and must be perpetuated on all subsequent documents. See Appendix 10 for a complete list of Purpose Codes.

b. MANAGEMENT CODES. These codes are entered by the inventory manager to provide the receiving/issuing stock point additional information concerning the document. See Appendix 17 for a complete list of Management Codes.

c. ADVICE/STATUS CODES. These codes are entered by the inventory manager to signal special attention relating to the establishment/release of backorders.

(1) Code "NF" will be assigned to Referral Orders (A4) relating to backorder obligations.

(2) Codes "5E" and "5R" will be assigned to Acknowledgment/ Status Cards relating to Planned Requirements and Reservations. They must, thereafter, be perpetuated on the requisitions prepared by the customer to withdraw protected material.

02141 BACKORDER - OBLIGATION PROCESSING

1. GENERAL. MILSTRIP considers the fact that a requisition represents a firm statement of need by a customer activity. The supply system is responsible to either satisfy the requirement (within the UMMIPS time frame) or advise the customer that material cannot be provided and offer alternate solutions. The procedures for processing a customer's requisition - which can be supplied from the supply system - are contained in paragraph 02130. This paragraph amplifies those procedures by discussing inventory manager and/or stock point responsibilities related to backorder - obligations.

2. INVENTORY MANAGER RESPONSIBILITIES. Upon receipt of a requisition, reinstated requisition, or Referral Order which cannot be filled by system stocks, within the UMMIPS time frame, the inventory manager will either (1) establish a backorder - obligation in the central (inventory manager) records, or (2) establish a backorder obligation on the central (inventory manager) records and simultaneously refer the request to a selected stock point.

a. BACKORDER RETAINED ONLY ON CENTRAL RECORDS.

(1) The inventory manager will provide the customer with an AE_ Supply Status Card with Status Code BB in rp 65-66, the estimated delivery date in rp 70-73 and the inventory manager's Routing Identifier Code in rp 67-69. Enter the transaction date in rp 62-64.

(2) Upon receipt of material into the supply system, the inventory manager will release the backorder - obligation by issuance of an A4_ Referral Order to the appropriate stock point and provide the customer with a Supply Status Card (AE_) indicating in rp 67-69 the stock point to which the requisition was referred .

(3) Reconciliation of backorders retained centrally will be done in accordance with instructions contained in paragraph 02142.

(4) Cancellation of backorder - obligations retained centrally will be done through the construction of an AE_ series Supply Status Card. This card will show the applicable "rejection" Status Code in rp 65-66. Cancellations resulting from failure of the requisitioner to submit a Reconciliation Response Card will show a BS Status Code.

b. BACKORDERS RETAINED CENTRALLY AND SIMULTANEOUSLY REFERRED TO A STOCK POINT.

(1) The Referral Order prepared by the inventory manager will contain Status Code NF, Purpose Code A, Condition Code A, and Transaction Code G in the applicable card columns. The inventory manager will also prepare and transmit to the customer a Supply Status Card indicating the stock point to which the request has been referred in rp 67-69.

(2) The system does not recognize the fact that an inventory manager can cancel a customer's requisition once it has been referred to another activity. Therefore, if it 's necessary for an inventory manager to cancel an established backorder - obligation after it has been referred to a selected stock point, the inventory manager will instruct the stock point to cancel by means of message or speedletter. They will provide the reason for cancellation.

(3) Reconciliation of backorders retained centrally but referred to a FISC will be done by the inventory manager.

(4) Specific inventory manager responsibilities for processing NF referrals are contained in paragraph 02225.

3. CUSTOMER RESPONSIBILITIES

a. SUPPLY STATUS CARDS. Upon receipt of Supply Status Cards from the inventory manager or FISC, the customer will review the information contained in the estimated delivery date, rp 70-73. If the estimated delivery date is acceptable, the customer takes no action. If the estimated delivery date is not acceptable, the customer may submit a follow-up requesting improvement of the delivery date using Document Identifier Code AFC.

b. RECONCILIATION REQUEST CARD. Upon receipt of a Reconciliation Request Card from the inventory manager, the customer will review the item and process in accordance with paragraphs 03440, 03460, 03470 and 03480.

4. FISC RESPONSIBILITIES

a. Upon receipt of the Referral Order (A4_) from the inventory manager, immediately establish a backorder - obligation in the Purpose Code A record unless the Referral Order is satisfied by immediate issue of available material. In that case, submit a D7_ series issue transaction item report to the inventory manager with Management Code M in rp 72. When a backorder is established, BB status will be provided in accordance with rp 7 and 54. An estimated availability date in rp 70-73 must be included on BB status documents. When the material is not immediately available for issue (i.e., still under repair), the activity will provide backorder status to the customer with the estimated availability date in rp 70-73. The backordered requisition will be filled from the source where the material becomes available.

b. Upon receipt of a cancellation request (AC_ series) for the backordered request (prior to its being issued), advise the inventory manager of the cancellation by returning the Referral Order (A4_) - which directed the backorder - with a "C" management code in rp 72.

c. At material receipt, release the backorder and issue the material. A D7 series issue transaction item report will be submitted to the inventory manager. It will show the action taken by perpetuation of the appropriate data elements and Management Code M in rp 72. Specific FISC responsibilities for processing NF referrals are in paragraph 02225.

02142 MATERIAL OBLIGATIONS VALIDATION PROCEDURES

- 1. **GENERAL.** This section covers the policies and procedures for validating overage requisitions. The entire process is called Material Obligation Validation (MOV). The MOV program first compares **supply source obligations** with **requisitioner's due-in** to produce an accurate MOV listing. The supply source then transmits an MOV Request to a requisitioner/control office to validate that its outstanding requisitions are still required. The purpose is twofold: (1) validation of need and (2) reconciliation of supply source obligation records with the due-in records of requisitioning activities. A material obligation is the unfilled portion of a requisition (for a stocked or non-stocked item) that is not immediately available for issue; it has been recorded as a commitment for future issue - either by direct delivery from a vendor or backordered. MOV validates obligations (requisitions) that are showing Status Codes BB, BD, BP, BV, BZ, N7, and ZV. Requisitions, which are to be filled by, direct delivery from vendors, status codes BV, BZ, N7, and ZV are excluded from automatic cancellation.
2. **ICP ACTIONS.** This section addresses ICP actions during MOV. Actions required by the requisitioner are provided in paragraphs 03400 through 03495. The document formats used to process MOV are identified in Appendix 28.
3. **MATERIAL OBLIGATION VALIDATION RESPONSE.** A reply by a requisitioner to a Material Obligation Validation Request advising the supplier to either: (1) hold a material obligation until supplied, or (2) cancel all or a portion of a material obligation.
4. **SUPPLY SOURCE.** A supply source is a DoD/GSA component that manages material obligation records and performs inventory management functions.
5. **EXCLUSIONS.**
- a. For Foreign Military Sales transactions, these procedures are optional based on DoD direction; however, the Services should reconcile Foreign Military Sales material obligation records at the supply source with those of the activities required to maintain Foreign Military Sales case control.
 - b. Material obligations for GSA nonstocked items which are valued at less than \$200.
 - c. Civil Agencies, unless covered by inter-Service/Agency agreement.
6. **SUPPLY SOURCE PROCEDURES.** To cancel obligations resulting from MOV, supply sources will try to stop procurement, storage, and transportation.
7. **MATERIAL OBLIGATION AGE CRITERIA.**
- a. Material obligations are considered over-aged and subject to MOV when:
 - (1) UMMIPS PD 01 thru 08 requisitions have aged for 30 days past the requisition date.
 - (2) UMMIPS PD 09 thru 15 requisitions have aged for 75 days past the requisition date.
 - b. Special validation may be ordered without regard to age of material obligations.

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c. The provisions of this procedure also apply to long production lead time items since requirements for such items may also change as a result of unit/force movements, deactivation, and other population changes. However, only item managers may elect to establish longer intervals for validation of long production lead time items.

8. ANNUAL SCHEDULE FOR CYCLIC VALIDATION OF MATERIAL OBLIGATIONS.

a. MOV SCHEDULE. MOV is processed quarterly.

Cycle No.	Cutoff for Supply Source to Prepare and Forward Validation Requests	Maximum Ending Date By Which Requisitioner Responses are Due Back to Supply Source
1	20 Jan	5 Mar
2	20 Apr	5 Jun
3	20 Jul	5 Sep
4	20 Oct	5 Dec

b. MOV RESPONSE TIME. Deployed units, afloat units, and CONUS/OCONUS locations unable to acknowledge receipt, or to respond on time, may request DAASO to temporarily respond to MOV requests. The request must be approved by the fleet commander or major command by message to the DAASO. The message will cite the MOV cycle the activity is unable to acknowledge receipt, and provide the required MOV response. The DAAS will not generate MOV responses for any subsequent MOV cycle unless another message is received. If the message is received prior to the MOV cycle, the DAAS will suppress transactions.

→ c. A report (Figure 2-1) will be submitted quarterly by each ICP to the Naval Supply Systems Command Headquarters (SUP 4B1B). It will be submitted within 25 days after close of each validation cycle. The report will be assigned Reports Control Symbol DD-P&L (Q) 1064. The supply source will review the history file prior to the preparing the report for transactions on where the quantity response was different from the quantity requested. This review will be made to determine if the quantity difference was a result of a shipment, a cancellation, or if the requisitioner actually requested the obligation to be canceled. Only cancellations actually requested by the requisitioner via the MOV response will be included in the MOV Report. Difference of quantity, as the result of any other cause/process, won't be reported.

9. DETERMINATION OF RECIPIENT OF VALIDATION REQUESTS. MOV requests will be transmitted to the activities determined in accordance with the following rules:

- a. To the activity designated by the media and status code (rp 7) or
- b. When a zero is entered in the media and status code, to the activity, designated by an alphabetic character or numeric 6, 7, or 8 in rp 54, or
- c. When rp 54 contains a numeric other than 6, 7, 8 (or is blank) and M&S code is 0, transmit requests to the requisitioner (rp 30-35).

Report of Validation of Material Obligations

Calendar Year	Report Symbol	
	Date:	
	Cycle Number:	
Data Entry	Line Items (Number)	Value (In thousands)
1. Total over-aged material obligation referred for validation. a. U.S. Forces b. MAP Grant Aid 2. Total cancellations requested by the requisitioner. 3. Total canceled by the logistics system as a direct result of the above requests. a. U.S. Forces b. MAP Grant Aid 4. Percentage of accomplishment (line 3 divided by line 12) 5. MOVs where the requisitioner failed to acknowledge receipt of requests; did not confirm the obligation should be retained; and did not request suspension of automatic cancellation). 6. Total canceled by the logistics system due to non-response (see note). a. U. S. Forces b. MAP Grant Aid 7. Percentage of accomplishment-6 divided by 5).	(Percent)	(Percent)
Remarks		

Figure 2-1

- 10. PREPARATION OF CYCLIC VALIDATION REQUESTS.
- a. Scheduled material obligation validation requests (DIs AN1, 2 and 3) will be prepared as shown in Appendix 28.
 - b. Supply sources will transmit DI AN_ transactions to the DAAS. The DAAS will transmit the requests to the designated recipient, perpetuating the supply source batch control.

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c. Scheduled material obligation validation request transactions will be transmitted by the supply sources not later than 5 days after the cutoff date under the cover of a MOV control transaction (DI AN9/ANZ) in the format shown in Appendix 28. The response due dates are entered in rp 46-49 of the control transactions and rp 75-77 of the request documents. The MOV control transaction includes a provision whereby the recipient will acknowledge receipt of such request documents. The MOV control transaction will be produced for AN_ transactions sent by automated communication networks. It will be used by supply sources for control and for recording acknowledgment of receipt.

d. Supply sources will transmit AN_ transactions via automated communication networks. DAAS forwards these documents by the fastest means available. The DAAS will maintain a history record of all DI code AN_ transactions processed for each MOV cycle.

e. When preparing MOV batches for transmission via communication networks, no more than 494 DI AN_ transactions will be included in a single message. Each batch will have its own MOV control transaction. If a single batch exceeds 493 detail request transactions (DIs AN1, AN2 and AN3), additional messages are required, with a separate control transaction for each partial batch in a different message. For example, if 950 detail request transactions are to be sent to the same recipient, the first message will include only 493 detail request transactions (DIs AN1, AN2 and AN3) and a control transaction; the second message will include the remaining 457 detail request transactions and another control transaction. (This limitation allows for a message header and trailer, and sufficient capacity for DAAS to conform with the JANAP 128 maximum limit of 500 transactions in a single data pattern message when rejecting an erroneous MOV message to the transmitting activity.)

f. Supply sources will establish records by batch control number (RP 7-10) for each validation cycle. This will assist with follow-up of customers who do not acknowledge receipt of a particular batch number.



g. Paragraphs 08389 through 08391 provide detailed procedures for the transmission of MOV documents via the DAAS.

11. ACKNOWLEDGMENT OF RECEIPT OF CYCLIC VALIDATION REQUESTS. Requisitioning activities in receipt of scheduled validation request transaction documents intended for other recipients will forward the documents by the most expeditious means to the intended recipients when known, otherwise the documents will be returned immediately to the submitting supply source. Procedures for the requisitioner's action on MOV requests are provided in paragraphs 03400 through 03440.

12. SUPPLY SOURCE CANCELLATION OF MATERIAL OBLIGATIONS.

- a. Except for Status Code BV, BZ, N7, and ZV requisitions, supply sources will cancel material obligations:
 - (1) When no reply to a special validation message request has been received by the reply due date.
 - (2) When requisitioner has not acknowledged receipt of the scheduled validation request documents (or the Fleet unit/type commander has not requested temporary suspension of cancellation actions pending final response) and no DI AP response transactions are received by the response due date.
 - (3) When receipt of validation requests had been acknowledged but no DI AP response has been received to validation documents. In these instances, receipt of a follow-up document during the validation cycle will not prevent cancellation action.
 - (4) Upon receipt of cancellation requests from requisitioning activities (when there is no record of the document as a material obligation) the validating response transaction or message will be matched with the requisition history file to determine the current status of the document. If the document is in an "in process" state, action must be taken to stop the flow of unneeded material. All 02142 supply sources will strive to attain the DoD objective of taking all feasible action to prevent shipment from the depot, the port of embarkation, or the vendor. Based on action taken, the requisitioning activity will be provided with supply or shipment status.
- b. STATUS CODE BV, BZ, N7, and ZV REQUISITIONS. Requisitions being filled by direct delivery from vendors are excluded from automatic cancellation. When a response to a MOV request has not been received by the cutoff date for requisitions in BV, BZ, N7, and ZV status, NAVICP will generate a DI AV_, Notification of Customer Nonresponse to MOV Request. The requisitioner/SUPPADD/monitoring activity will validate the requirement and respond with a DI AC_ cancellation if the material is no longer required.
- c. STATUS. The supply source will provide the activities (where the validation requests were sent) with a supply status document containing Status Code BR or BS, for each document canceled during validation.
- d. ERRONEOUS RECEIPT. Supply sources that erroneously receive a scheduled validation response document, i.e., intended for other supply sources, will immediately air mail the documents to the activity shown as the "To" RIC.
- e. Supply sources may contact the requisitioner to determine what action to take on an erroneous response. If there is not enough time for the supply source to contact the requisitioner, the document will remain obligated until resolved.
- f. The Service/Agency of the activity canceling a validation request, or failing to respond to a DI AN_ validation request, will be charged with (1) transportation costs for returning the material to depot storage and (2) procurement and termination costs when termination is in the best interest of the government. Specific instructions concerning material transportation charges and credit allowances are in the DoD Manual 7220.9-M, DoD Directive 7420.1, DoD Instruction 7420.12, and DoD 4500.32-R, MILSTAMP.

13. SPECIAL VALIDATION REQUESTS.

a. Item managers can option to run special validation requests. For example, the item manager may need to validate requirements for high dollar value critical items, or for items with a large number of material obligations. These **special** validations can be done regardless of whether the obligations have already been validated. But they should be **selective**. Item managers select the items in critical supply. They usually select essential items which are - or are expected to be - in short supply.

b. Requests for a special MOV will always be done by message. The response to the special request will also be done by message. Using messages for special validations implies a limited number of transactions for single requisitioning activities.

c. The message request will consist of the requisition's document number (which is a material obligation) the stock or part number, the unfilled quantity, identification of the "ship to" address, the current priority designator, and a reply due date. The reply due date will always be ten days from the date of the message.

d. The message responses (to special validation requests) will contain the requisition document number (same as in the validation request message), the stock or part number, the priority designator, and the quantity. The message response will also contain any quantities of material received by requisitioning activities prior to preparing the response; they will also advise whether material obligations should be canceled or retained. The message responses will be sent by the "request reply by" date in the message requests.

02143 RESERVATION PROCESSING

1. GENERAL. To meet a firm commitment for material needs at a future date, a customer submits a request to the inventory manager (IM) to reserve material. The customer needs the IM's guarantee that the material will be available when needed. The customer's request also indicates to the IM that funds are obligated for requisitioning the material from the IM. That way the IM can feel confident in purchasing material to support the customer's request .

2. RESERVATION DOCUMENTS. Upon receiving requests to reserve material, the inventory manager must certify (to the requisitioner) that stock will be available - either within the supply system or at a specified stock point; or that sufficient data has not been provided, on the request document, to allow the IM to make such a commitment. The various documents used in requesting, establishing, and processing reservations are listed below. These documents will be prepared in accordance with the formats displayed in Appendix 28 and referenced on the following page.

<u>Document Title</u>	<u>DI</u>
Request for Reservation	BRR
Reservation Acknowledgment	BRA
Reservation Status	BRS
Reservation Rejection	BRX
Reservation Cancellation	BRC
Reservation Follow-up	BRF
Backorder - Reservation	DG_

3. REQUISITIONER RESPONSIBILITIES. To establish a reservation against a firm funded requirement, send a request for reservation (BRR) to the inventory manager. The inventory manager will reply within 14 days from the Julian date of the BRR. If no reply in 14 days, send a reservation follow-up transaction (BRF) to the inventory manager.

a. One of the following will be sent in reply to the requisitioner's request for reservation:

(1) DI BRA. A reservation acknowledgment transaction (BRA) indicating that the reservation is being protected centrally and that the requisitioner may draw out the material by submission of a requisition to the normal source of supply. When drawing out this material, the requisitioner must perpetuate the NSN, Document Number, Status Code, Purpose/Condition Code, and Management Code contained in the BRA transaction.

(2) DI BRS. A reservation status transaction (BRS) indicates that the reservation is being protected at the stock point shown in RP 67-69 and that the requisitioner may draw out the material by submitting a requisition to that stock point. The NSN, Document Number, Status, Purpose, Condition, and Management Code contained in the BRS transaction must be perpetuated. The activity designated to protect the reservation may or may not be the requisitioner. When the inventory manager designates the requisition to protect his own reservation requirement, the Routing Identifier of the requisitioner will appear in RP 67-69 of the BRS transaction and, in addition, the requisitioner will receive a backorder reservation transaction (DG_) from the inventory manager.

(3) DI BRX. A reservation rejection transaction (BRX) indicating that the inventory manager has rejected the request for the reason cited in RP 65-66 of the rejection transaction.

b. Requests for reservations which have been approved by the inventory manger will only be canceled as follows:

(1) DI BRC. If the requisitioner elects to cancel a reservation, a reservation cancellation transaction (BRC) must be submitted directly to the inventory manager.

(2) REVERSAL. If the required delivery date in cc 62-64 of the BRA/BRS transaction is expired, and the requisitioner has not drawn out the reserved material, the inventory manager will advise the requisitioner of cancellation action by issuing a reservation cancellation (BRX) with Status Code RY in cc 65-66. The inventory manager will cancel the reservation in the central record and will also issue a cancellation (DG_ reversal transaction) to any stock point where the reservation is protected.

4. RESPONSIBILITIES OF STOCK POINTS DESIGNATED TO PROTECT RESERVATIONS. Upon receipt of a backorder reservation transaction (DG_) from the inventory manager, the stock point will post the quantity to the requirements reservation file of the Purpose Code A stock record and will hold the backorder reservation transaction in the requirements reservation file. The stock point will take necessary action to protect the quantities posted in the requirements reservation file. Authorization to release and/or cancel a reservation is limited to the following situations:

a. AUTHORIZED RELEASE.

(1) The stock point is authorized to release a reservation when receiving a requisition which matches a record in the requirements reservation file, i.e., NSN, Document Number, Status, Purpose, Condition, and Management Code. At the same time of releasing of material, the stock point will adjust the corresponding record in the requirements reservation file. When the reservation is released by a reporting stock point, a D7_ issue transaction will be forwarded to the inventory manager.

(2) When operating stocks aren't available, a stock point is authorized to release reserve material if receiving a referral order from the inventory manager citing Management Code L. The release of the reserve material won't affect the quantity posted in the stock point's requirements reservation file. The stock point will forward a D7_ issue transaction to the inventory manager who will, upon receipt, take action to replace the expended reservation quantity.

(3) When operating stocks are not available, release of PWRMS (Prepositioned War Reserve Material Stock) held for Fleet Support Material Element is authorized to fill requisitions from fleet units regardless of priority, and to fill priority 01 and 02 Navy requisitions from nonfleet units. The release of the PWRMS shall in no way affect the quantity posted in the stock point's requirements reservation file. When the PWRMS is released by a reporting stock point, a D7_ issue transaction will be forwarded to the inventory manager who will, upon receipt, take action to replace the PWRMS quantity. Since inventory managers are unaware of issues by nonreporting activities, their authority to release these PWRMS quantities depends on the nonreporter's capability to replace the material in a reasonable time frame. When necessary this time frame may exceed the CNO readiness time frame.

(4) Release of PWRMS held for CNO Special Projects, other than Fleet Support Material Element, is only authorized for issue by nonreporting stock points to satisfy priority 01 and 02 for Navy centrally managed items provided that (a) operating stock is not available and (b) the material can be replaced within the CNO readiness time frame.

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b. AUTHORIZED CANCELLATIONS. Upon receipt of a reversal backorder reservation transaction (DG_) from the inventory manager, the stock point will remove that quantity from the requirements reservation file. Cancellation requests received directly from the requisitioner are not authorized and will be returned to the requisitioner.

02144 PLANNED REQUIREMENT PROCESSING

1. GENERAL. A customer advises an inventory manager of an anticipated future requirement for material by requesting a **planned requirement** be established. The planned requirement request will also indicate that the customer has not obligated his funds to cover the requirement. Upon receipt of such requests, the inventory manager will advise the customer of acceptance or rejection by using a Planned Requirement Acknowledgment and Acceptance transaction (BPA) or a Rejection/Cancellation transaction (BPX). The response codes (for actions to be taken) are contained in subparagraph 02144.5. Planned requirements are used in programs such as (but are not limited to) new construction, major conversion, outfitting, overhaul, or where requirements can be accurately and sufficiently predicted in advance of the date the material is needed. The various documents used to process planned requirements appear below. These documents will be prepared in the formats shown in Appendix 28.

<u>Document Title</u>	<u>Document Identifier</u>
Customer To Inventory Manager	
Request for Establishment of a Planned Requirement	BPR
Request for Change to a Planned Requirement Support Date	BPD
Request for Change to a Planned Requirement Quantity	BPQ
Confirmation of a Planned Requirement	BPT
Request for Cancellation of a Planned Requirement	BPC
Request for Change to a Confirmed Planned Requirement's Supporting Stock Point	BPY
Inventory Manager to Customer	
Planned Requirement Acknowledgment and Acceptance	BPA
Planned Requirement Rejection/Cancellation	BPX
Request for Confirmation of a Planned Requirement	BPV
Follow-up to Customer that BFU Draw-Down Date of a Confirmed Planned Requirement has passed and Material should be Requisitioned from the Supporting Stock Point	BFU

2. CUSTOMER RESPONSIBILITIES. A customer that wishes to establish a requirement - in anticipating a future need - will submit to the inventory manager a Request for Planned Requirement transaction (BPR). The support date (RP 62-64) must not be less than 90 days or more than five years from submission of the request. The customer should submit requests for planned requirements as far in advance of the support date as practical (within the five year maximum limitation) so the inventory manager can respond, if procurement is necessary.

a. IM RESPONSE. The customer will receive either a Planned Requirement Acceptance or Rejection Transaction from the inventory manager. The transaction will indicate acceptance or rejection of the requirement. If a rejection response is received, take steps to comply with the direction of its response code. Response Codes are defined in Appendix 12.

b. NO RESPONSE. If a Planned Requirement Acceptance transaction (BPA) or a Rejection transaction (BPX) has not been received within three weeks after request (21 days from the date the planned requirement is submitted to the inventory manager) the customer may submit a duplicate Request (BPR) to the inventory manager.

c. RECONFIRMATION. Prior to a procurement lead time away from the support date, the customer will receive a Request for Confirmation Transaction (BPV) from the inventory manager. Within 30 days after the date of reply of this transaction, the customer must provide a Confirmation of Planned Requirements transaction (BPT) to the inventory manager; otherwise, the planned requirement will be canceled.

d. CANCELLATION. The customer may cancel a planned requirement, increase/decrease the quantity desired, or change the support date through use of a BPC, BPQ, or BPD document, respectively. However, confirmation by the customer, as described in subparagraph 2c above, places an obligation on the customer to accept billing for the material. Cancellation/adjustment documents will not be accepted on a routine basis after confirmation by the customer, but will only be accepted at the discretion of the inventory manager and will depend on system stock status (at the time) or the ability of the inventory manager to cancel procurement actions.

e. REQUIREMENT FOR REQUISITION TO RECEIVE MATERIAL. Submission of a draw-down requisition to the supporting activity (Appendix 28) is mandatory. Material will not be pushed to the requiring activity - but shipped only upon receipt of a requisition.

3. INVENTORY MANAGER RESPONSIBILITIES. Upon receipt of a customer's Request for Planned Requirement Transaction (BPR) the inventory manager will take the following actions:

a. IM RESPONSE. Provide the customer with either a Planned Requirement Acknowledgment or a Rejection Transaction within three weeks after the date the planned requirement is received. The appropriate response code (Appendix 12) will be used.

b. MAINTENANCE. All accepted planned requirements will be established and maintained in the inventory manager's file. Prior to confirmation of the planned requirement, it will be included in the system retention limit to assure retention of any available system stocks. Cancellations/adjustments will be accepted and processed - without question - prior to receipt of a Confirmation of Planned Requirement transaction. However, attempts to change the support date to an earlier date may be rejected if insufficient time is afforded the ICP.

c. CONFIRMATION TRANSACTION. Prior to a procurement lead time away from the support date, provide the customer a Request for Confirmation Transaction. If the planned requirement is not confirmed within 30 days, it will be canceled. However, if the planned requirement is confirmed, the inventory manager will initiate procurement (if necessary) and will provide for protection of the planned requirement with the exception that fleet requirements in Issue Group I category may draw upon reserved material. The ICP will exhaust all possible sources in order to ensure that sufficient material is available when required to satisfy confirmed planned requirements. When reserved material is issued to support Issue Group I fleet requisitions and the inventory manager cannot replenish stocks in sufficient time to meet the support date of the planned requirement, the customer will be notified immediately by the inventory manager of the new material availability date. The customer then can cancel the planned requirement or confirm it with the new support date. Cancellation/adjustment documents should not be accepted on a routine basis after confirmation by the customer, but should only be accepted if review of system stock status at the time and/or ability to cancel procurement action justifies acceptance.

d. PROTECTION. Protection of the confirmed planned requirement includes central protection on the inventory manager's records and establishment of the planned requirement on the records of a selected stock point. A Backorder Reservation Directive, shown in Appendix 28, will be forwarded to the selected stock point. If the planned requirement is subsequently canceled, the inventory manager will forward a Reservation Directive - Reversal to the selected stock point.

e. NO REQUISITION RECEIVED BY SUPPORT DATE. If the planned requirement has not been drawn down by the customer by the support date, then the inventory manager will instruct the customer to draw down the planned requirement. If the customer does not do so after 30 days, he will provide a list of the overdue planned requirements to NAVSUP. NAVSUP will coordinate action with the proper authorities to ensure compliance with the Navy Planned Requirement Policy.

4. STOCK POINT RESPONSIBILITIES. Upon receipt of a Backorder Reservation Directive from the inventory manager, the stock point will post the quantity to the reservation field of the Purpose Code A stock record and will hold the Backorder Reservation Directive in file. The stock point is authorized to release this requirement only upon receipt of a requisition which contains the matching document number, Advice Code 5E, and a legitimate fund code. Upon receipt of a Reversal Backorder Reservation Directive, the stock point will remove that quantity from the reservation field and remove the matching Reservation Directive from the file. Cancellation/adjustment requests from the customer directly to the stock point are not authorized and will be returned by the stock point.

5. RESPONSE CODES APPLICABLE TO PLANNED REQUIREMENTS. A complete list of the Response Codes for planned requirements and reservations are in Appendix 12.

02145 INVENTORY MANAGER INITIATED RESERVATIONS AND PLANNED REQUIREMENTS

1. GENERAL. Under some circumstances, inventory managers may initiate reservations or planned requirements to satisfy special program needs. This is particularly true of ship construction and conversion programs, initial outfitting of ships, and outfitting teams. Inventory managers may protect requirements, for these types of programs, centrally - on inventory manager records, or locally - on the records of specified stock points. In either case, inventory managers are responsible for informing customers and/or monitors of special programs and actions taken. This guides the release of the backordered material.

2. PROCEDURES. Acknowledgment, Status, and Establishment of Reservation and Planned Requirement transactions resulting from inventory manager initiated actions will resemble the customer initiated requests - in all respects - except an alphabetic character (V, X or Z) will be used in RP 40 of the document number assigned by the inventory manager. These transactions will be processed in accordance with paragraphs 02143 and 02144 above.

a. INVENTORY MANAGER RESPONSIBILITIES. Inventory managers will construct their initiated Reservation and Planned Requirement Acknowledgment, Status, and Establishment transactions in the formats prescribed in Appendix 28 with the following exceptions:

(1) Enter an alphabetic character (V, X, or Z) in RP 40 of the document number in order to identify it as being inventory manager initiated.

(2) If appropriate, provide the customer with the Signal and Fund Code or accounting instructions: The customer uses them on a requisition therefore drawing backordered material.

b. STOCK POINT RESPONSIBILITIES. Stock points will process documents which result from inventory manager initiated reservations and planned requirements in the same manner as shown in paragraphs 02143 and 02144.

c. CUSTOMER RESPONSIBILITIES. Customers must perpetuate the following data elements (from the inventory manager initiated Reservation/Planned Requirement Acknowledgment and Status transaction) to their drawdown requisitions:

<u>Data Element</u>	<u>Card Column</u>
Stock Number	8-22
Document Number	30-43
Signal Fund Code	51-53 (if entered) Requisitions based on Reservation Documents containing Fund Code AY or IK will not perpetuate the Fund Code. Fund Code 99 will be cited on these requisitions with related accounting data in the "Remarks" field as specified in paragraph 05180 under Fund Code AY or IK.
Cognizance Symbol	55-56
Project	57-59

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<u>Data Element</u>	<u>Card Column</u>
Status	65-66
Purpose	70
Condition	71
Management	72

02146 SPECIAL PROGRAM REQUIREMENT TRANSACTIONS

1. GENERAL. These procedures are used for forecasting requirements for items: (1). required to support special program or projects which are of a nonrepetitive nature (2). cannot be forecast by the ICP based on demand data and (3). have the greatest likelihood of being requisitioned.

a. Special Program Requirement (SPR) requests will be submitted for requirements which meet any of the following criteria:

- (1) One-time training exercises or maneuvers.
- (2) Repair or rebuild programs which are either nonrecurring or seldom/irregularly programmed.
- (3) New construction (ships, buildings, etc.).
- (4) One-time alterations, modifications, or conversion programs.
- (5) Initial issue of existing items (i.e., outfittings, activations, and changes in authorized allowances).
- (6) Initial requirements for special operational projects.
- (7) Requirements for initial testing.
- (8) Requirements for Government-provided property.
- (9) Requirements for infrequently planned support operations such as Arctic and Antarctic resupply missions.
- (10) Specialized situations of a nonrepetitive nature when required in support of authorized International Logistics Programs (i.e., initial pipeline stockage requirements in support of approved Cooperative Logistics Supply Support Agreements, etc.).

b. The following types of requirements are excluded from being identified as SPRs:

- (1) Provisioning.
- (2) Mobilization Reserve Material Requirements.
- (3) Requirements for which the Service/Agency has a recurring demand.
- (4) Subsistence - all categories.

2. SPR SUBMISSION.

a. Submission of SPRs will be limited to material required - not less than 90 days in advance of or more than five years prior to the support date that is shown in RP 62-64 of the request document. If procurement is necessary, delivery for an early support date may not be possible since procurement lead times for most items is greater than 90 days. Therefore, submission of SPRs to ICPs should be made as far in advance of the support date as possible.

b. SPR Request transaction prepared on DD Form 1348 is identified by DI DYA, DYB, DYI, or DYM, as appropriate. Alignment and format are shown in Appendix 28. This transaction will be used in transmitting SPR data from the forecasting activity to the ICP. When the requirement of an individual item is such that material will be required in phases (e.g., 100 each per month), a separate request transaction will be forwarded for each phase.

c. Requirements for submitting SPR requests, cancellations, modifiers, substitute item acceptance/rejections, and follow-ups (DIs DYA, DYC, DYD, DYG, DYH, DYJ, and DYI) via the Defense Automatic Addressing System (DAAS) are specified in paragraph 03700 of this manual. The DAAS will edit, pass, route or reject these transactions... then transmit appropriate DI DZ9 Status Notification and/or DI Code DZG Transaction Rejects to originators.

3. ICP PROCESSING OF SPR REQUESTS.

a. ICPs will evaluate the customer's requirement in light of the risk of going into **long supply**. Long supply means we are buying too much of an item or buying it too soon. The ICP will compare the customer's forecasted quantity in relation to: normal demands, cost of this quantity, supply status of the item being forecasted, funding capability of the ICP, customer's past forecast accuracy, and the degree of assurance that requisitions will follow.

b. The ICP will respond within 15 days of receiving the customer's SPR. An SPR status code will be entered in SPR status transactions to advise the customer of acceptance, rejection (other than for correction and resubmission), or other action required. SPR Status codes are listed in Appendix 10. When an ICP can't process an SPR request due to erroneous or missing data, the ICP will reject it for resubmission in accordance with paragraph 03700.

c. Identify SPR status transactions prepared on the DD Form 1348 by DI DYK.

4. FOLLOW-UP ON SPR REQUESTS. When a DI DYK Special Program Requirement Status transaction or a DI DZG Transaction Reject has not been received by the forecasting activity within 21 calendar days from the date the SPR request was submitted to the ICP, the forecasting activity may submit an SPR follow-up to the ICP. The SPR follow-up prepared on the DD Form 1348 is identified by DI DYJ.

5. ICP ACTION ON SPR FOLLOW-UP. When there is no record of receiving the original SPR request, the ICP will process the SPR follow-up as an original SPR request. Replies to SPR follow-ups will be prepared as specified in paragraph 3 above.

6. MODIFICATION OF SPR REQUESTS. The forecasting activity may submit changes for previously submitted SPR requests. In these instances the new data will replace data in the original request. To modify SPRs, forecasting activities will use the SPR modifier document. They will submit it only to change the quantity, the supplementary address, the project code, the coast designator, the support date, and/or the RP 67-69 RIC (from). SPR modifiers prepared on the DD Form 1348 are identified by DI DYD.
7. RESPONSE TO SPR MODIFIER. Replies to SPR modifiers will be prepared as specified in paragraph 3 above.
8. CANCELLATION OF SPR REQUESTS. The forecasting activity may submit an SPR cancellation for a previously submitted SPR request. Cancellation will be for the total quantity applicable to the SPR. SPR cancellations prepared on the DD Form 1348 are identified by DI DYC.
9. RESPONSE TO SPR CANCELLATION. Replies to SPR cancellations will be prepared as specified in paragraph 3 above.
10. ACCEPTANCE/REJECTION OF SUBSTITUTE ITEM. Forecasting activities in receipt of SPR responses offering a substitute item will take one of the following actions:
 - a. When the offered substitute is acceptable, transmit a DI DYG SPR Substitute Item Acceptance to the ICP.
 - b. When the offered substitute is unacceptable, transmit a DI DYH SPR Substitute Item Rejection to the ICP.
11. RESPONSE TO SUBSTITUTE ITEM REJECTION. The ICP will initiate action to provide status to the forecasting activity on the item originally requested. The response will be prepared as specified in paragraph 3 above.
12. RETENTION OF SPR REQUESTS. The ICP will retain SPR requests until:
 - a. The support date of those requirements for which SPR Status Code PA was provided, or a requisition is received which can be identified to all or a portion of a particular SPR quantity.
 - b. One procurement lead time/assembly time away from the support date when procurement/assembly is required in support of those requirements for which SPR Status Code PB was provided.
 - c. Assembly time prior to support date when extra time is required for assembly in support of those requirements for which SPR Status Code PC was provided.
13. FOLLOW-ON STATUS. The ICP will provide revised status when the situation changes (e.g., change in procurement lead time, procurement is required for material originally anticipated to be available from stock, etc.). Generally, these situational changes are unusual in nature, are not programmed for, and require off-line processing. The status document will be prepared as specified in paragraph 3 above.

14. PREPARATION OF SPR REQUISITIONS.

a. When SPR status citing Status Code PA is received, requisitions citing Demand Code P should be submitted for SPR related requirements in time to allow for delivery within the standard UMMIPS time. Demand Code P tells the ICP that the requisition is for material previously forecasted as an SPR. This helps the ICP to improve their requisition processing and demand forecasting. Demand codes are listed in Appendix 8.

b. When SPR status is received citing SPR Status Code PR, the ICP is indicating that the SPR is being deleted and the item is a procurement lead time/assembly time away from the support date. The requiring activity must immediately submit a MILSTRIP requisition(s) citing Demand Code 0 in RP 44 and Advice Code 2L in RP 65-66. Advice codes are contained in Appendix 1. When requisitioners desire that specific material shipments not be released prior to 50 calendar days before the expiration of an extended Required Delivery Date (RDD), they will express the RDD using code S in RP 62 as prescribed in paragraph 03100.

15. LOGISTIC REASSIGNMENTS. When logistics loss is to an integrated material manager of another Service/Agency, the losing item manager will prepare and transmit (to the forecasting activity) SPR status on DI DYK, as outlined in Appendix 28, citing SPR Status Code PV. This status will indicate that the item has been involved in a logistic reassignment and a new SPR must be submitted to the gaining activity. When the logistics loss is to an integrated material manager within the same Service/Agency, the record of the SPR will be forwarded to the gaining manager and no status needs be provided to the forecasting activity.

SECTION 4

02150 EXCESS PROPERTY RETENTION, DISPOSITION AND DISPOSAL PROGRAM

1. GENERAL. The following policies and procedures for processing excess property is prescribed under MILSTRIP.

2. INVENTORY MANAGER RESPONSIBILITIES. Inventory managers (IMs) will use the Disposal Release Order (DRO) document (A5J) and related documents to direct and control issue of supply system stocks to disposal. DROs are transmitted to stock points and will normally result in preparation of a Form 1348-1A for each DRO. IMs will prepare DROs in accordance with the format in Appendix 28. When the quantity to be transferred to disposal exceeds the capability of the quantity field, multiple DROs, each with a different document number, will be used. When multiple DROs are required, each DRO prepared for the same item will contain the total retention quantity in cc 55- 61. If the quantity to be retained exceeds the capacity of that field, the transactions will be processed off-line, usually via MILSTRIP message.

a. The retention quantity in RP 55-61 of the DRO will determine the quantity of material to be turned into disposal by the stock point.

b. The Disposal Release Confirmation (DRC) documents are prepared by the stock point to advise the initiating IM of supply action taken on the DRO.

c. The Disposal Release Follow-up (AFJ) document will be used by IMs to follow up on stock points for unconfirmed DROs 30 days after the effective transfer date entered in RP 62-64 of the DRO. It will be prepared in the format of the DRO.

d. Disposal Release Cancellations are prepared by the IM who initiated the DROs. They are sent to stock points when it is determined that disposal actions should be discontinued. These cancellation requests will be submitted in those instances when DROs are unconfirmed. Disposal Release Cancellation documents will be prepared in the same format as the original DRO and contain DI ACJ.

e. A Disposal Release Cancellation Follow-up document, DI AKJ, may be submitted by the IM to obtain the latest status of a Disposal Release Cancellation. The follow-up document will be in the same format as the original Disposal Release Cancellation.

f. For those assets reported on an Excess Report, DI FTE, the IM will use a Reply to Excess Report, DI FTR, to direct retention or disposal. Paragraph 02155 applies.

g. Disposal directives for classified material will be separated from all others for special handling and mailing. Technical data will be attached to each. They will assign the required method and degree of demilitarization to prevent the compromising of security requirements and to prevent delays and inefficiencies in demilitarization/declassification processing and costs. Note that Munitions List Items (MLI) requiring demilitarization are not always classified items.

3. STOCK POINT RESPONSIBILITIES. When stock points receive DROs they will retain the quantity shown in RP 55-61 and turn in the remainder to disposal. If the quantity on hand is less than the quantity in RP 55-61, a Disposal Release Denial will be sent to the IM in accordance with paragraph 3c below.

a. In those cases where the quantity on hand is sufficient to release material to disposal, a Disposal Release Confirmation (DRC) document will be prepared in the format shown in Appendix 28.

(1) When the quantity shipped is the same as the quantity requested in the DRO, DI ARJ will be used.

(2) When the quantity shipped is greater than the quantity requested, DI ARK will be used; when it is less, DI ARL will be used.

(3) If the quantity transferred to disposal exceeds the capacity of the quantity field of the confirmation document, it will be processed off-line.

b. In those cases where the Disposal Release Follow-up document (AFJ) is received, one of the following actions will be taken:

(1) If the DRO has been complied with and shipment made, a duplicate DRC document will be forwarded. If disposal has been denied because it was below the retention quantity, a duplicate Disposal Release Denial document will be forwarded.

(2) If the DRO has not been complied with and shipment is anticipated, the stock point will use the format in Appendix 28 with DI AEJ in RP 1-3 and the estimated shipping date in RP 57-59.

(3) If there is no record of the DRO, the response will be formatted as in Appendix 28 with DI AEJ in RP 1-3 and Supply Status Code BF in RP 65-66.

c. Disposal Release Denial (DRD) document will be prepared and transmitted to the IM as notification of a negative action on a DRO. It will be formatted as shown in Appendix 28 and will contain DI A6J. Appropriate adjustments will be made to the inventory records. If an A5J document is received and is suspected to be an error, an off-line challenge message will be sent to the IM.

d. Stock point response to a Disposal Release Cancellation received from the IM will be by one of the following documents:

(1) When shipment has been made, response to the IM will be a Disposal Release Confirmation unless recoument from the DRMO can be done locally.

(2) When the cancellation is done, response to the IM will be prepared in the same format as the cancellation request except that RP 4-6 will contain the RIC of the IM to which the document will be transmitted and RP 67-69 will contain the RIC of the preparing activity. The document will contain DI AGJ.

e. A Disposal Release Cancellation Follow-up (AKJ) document received by a stock point will be processed as a cancellation request provided the original was not received. If it had been received and all required actions had been completed, the stock point will respond to the Disposal Release Cancellation Follow-up by duplicating the previously submitted documentation.

4. PROCESSING MATERIAL TO DISPOSAL.

a. The procedures in paragraph 2 above apply only to usable material that Defense Reutilization and Marketing Offices (DRMOs) are authorized to physically accept or provide screening and/or sales service. Local liaison with the Chief of the Servicing Defense Reutilization and Marketing Office should be actively pursued by Inventory Control and Receiving/MTR/MTIS personnel to assure that: the needed material does not get sent to DRMO; and that DRMO has established contacts at the stock point to notify in case of suspect disposal actions by the stock point or other Navy activities.

b. Documentation required to turn in scrap and waste to a DRMO is specified in Chapter IV, paragraph F1b of the Defense Disposal Manual (DDM), DoD 4160.21-M.

c. Categories of material that are not physically acceptable in a DRMO are listed in the DDM, Chapter IV, paragraph D and discussed individually in Chapter VI, Property Requiring Special Processing.

d. Some property, because of its peculiar nature, its potential influence on public health, safety, security or its potential influence on private industry, must be disposed of in other than a normal fashion. These items must be identified in the remarks (block 27) on the Form 1348-1A at the time of preparation by the storage activity. This entry will be "in the clear" and contain the minimum wording to properly identify the category of property. See DoD 4160.21-M, Chapter VI. If two or more categories pertain to the same turn-in document, the category most pertinent to or which identifies an asset requiring the most stringent controls, will take precedence.

e. Small arms purchased by Nonappropriated Funds (NAF) are controlled by civil authorities under the Gun Control Act of 1968 and, therefore, are exempt from being reported to the DoD Central Registry. Activities turning in nonappropriated fund weapons to disposal will enter NAF in the Remarks, or stamp NAF in large bold letters on the face of the 1348-1A and the words "Weapons exempt from reporting to the DoD Central Registry."

f. Lost, abandoned, or unclaimed privately owned property (including small arms) must be processed through a Board of Officers for actions described in DoD 4160.21-M, Chapter VI, and subsequently, if appropriate, turned into a DRMO as indicated.

g. Activities turning in small arms to disposal, which have been classified as claimed or confiscated, will indicate so in the remarks on the Disposal Turn-In Document. The DoD Small Arms Serialization Program procedures, as prescribed in DoD 4140.22-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), require that when such weapons come under DoD control they will be screened for registration in DoD Small Arms Serialization Program. If not registered, the small arms will be registered, and if subsequently transferred to disposal, the DTID will be annotated so that the Defense Reutilization and Marketing Service (DRMS) will know its status in the serialization program. Definitions of these categories are as follows:

(1) CLAIMED. Private property whose title has passed to DoD as a result of a claim against the government due to its damage in connection with government activities, usually movement of household goods where loss or damage has occurred.

(2) CONFISCATED. Private property whose title has passed to DoD as a result of being confiscated by appropriate authority, usually as a result of being unauthorized for personal possession.

5. TRANSFERS TO DEFENSE REUTILIZATION AND MARKETING OFFICE. The Form 1348-1A will be used as the Disposal Turn-In Document (DTID) for all transfers (local as well as IM generated excess) to the DRMO. Appendix 28 contains the format for these documents.

NOTE: all documents pertaining to transfers to or withdrawals from DRMOs must contain the valid DODAAC (UIC) of the activity involved. pseudo codes are not to be used.

02155 MATERIAL RETURNS PROGRAM (MRP) AND LATERAL REDISTRIBUTION OF RETAIL ASSETS**1. GENERAL**

a. These procedures address reporting of excess and redistributable material from CONUS and overseas activities to an Inventory Control Point/Integrated Material Manager (ICP/IMM). This chapter also covers processing procedures for customer excess reports and ICP/IMM directed lateral redistribution of retail assets identified by an Interservice or Intraservice retail asset visibility system. Credit for material returns is granted based on receipt and the classification documented provided by the consignee. These procedures emphasize timely processing of related transactions and provide for the automatic return of material under certain conditions.

b. Policy regarding reporting of excess assets and the transfer of such assets, including granting of credit, is contained in Department of Defense Directive 4100.37, "Retention and Transfer of Material Assets."

c. Policy regarding reporting of assets, transfer of assets, and lateral redistribution of assets, is contained in DoD 4140.1-R, "DoD Material Management Regulation."

d. Credit for material returns is granted on the basis of receipt and classification by the consignee. Procedures for the time frames and transactions for providing credit for material returns and lateral redistribution is contained in MILSBILLS (reference (s)).

e. Excess Reports (DI FTE) and follow-on documentation transmitted by automatic communications networks will always be routed through DAAS.

2. SCOPE AND APPLICABILITY. These procedures are applicable to all DoD activities and civil agencies using FEDSTRIP, offering or returning material to a Military Service Inventory Control Point, DoD Integrated Material Manager or the General Services Administration (GSA). These provisions also apply to activities receiving and processing lateral redistribution orders of retail assets. Policy regarding utilization and redistribution of Military Assistance Program (MAP) material is contained in DoD 5105.38-M, Military Assistance and Sales Manual (MASM), Part II. These procedures also apply to the processing of nonconsumable items.

3. EXCLUSIONS. In addition to the exclusions cited in paragraph 01040.1, these procedures do not apply to the following:

a. Items not identified by a National Stock Number are excluded on an Inter-Service/Agency basis. Items having local or pseudo stock numbers (e.g., NICNs) assigned by a Navy item manager will be processed to the IM by Navy stock points.

b. Perishable subsistence items, with the exception of perishable subsistence returns, other than fresh fruits and vegetables, from Navy Mobile Logistics Support Force (MLSF) ships in the Pacific area.

- c. Industrial Plant Equipment (IPE) identified only by Plant Equipment Code/manufacturer's part number. These items will be reported to DIPEC (RIC S9R) on DD Form 1342 and disposition will be in accordance with DIPEC replies.
- d. Class V (W) ground (surface) Ammunition.
- e. Lumber products (with exception of lumber product items stocked by GSA).
- f. Items under Defense Nuclear Agency management, i.e., Federal Supply Group 11 and all Department of Energy (DOE) special design and quality controlled items (identified by Manufacturer's Code 87991 in the Defense Logistics Services Center (DLSC) master item file, and all DoD items designed specifically for use on or with nuclear weapons (identified by Manufacturers' Codes 57991, 67991 or 77991 in the DLSC master item file). (These items will be processed in accordance with Technical Publication Supply Management of Nuclear Weapons Material, DOE-DNA TP 100-1, Navy SWOP 100-1, Army TM 39-100-1, Air Force TO IIN-100-1.)
- g. Excess Automatic Data Processing Equipment (ADPE) in accordance with DoD 4160.19-M (Defense ADPE Reutilization Manual) requiring prior disposition authorization from the Navy Data Automation Command (NAVDAC).

4. PREPARATION OF EXCESS REPORTS (DIC FTE). Excess reports will be prepared in the format contained in Appendix 28 and electrically transmitted to the supply source via the DAAS.

a. Manually prepared reports will be submitted by air mail with containers conspicuously marked "MILSTRIP EXCESS REPORTS." The DD Form 1348 (DoD Single Line Item Requisition System Document) will be used only when:

(1) Facilities are not available to the reporting activity to permit electronic transmission of documents. The use of the automated DAAS telecommunications are encouraged through the nearest serving communication center.

(2) The reporting coding structure does not provide sufficient data to assist the ICP/IMM in making decisions on disposition of material or the granting of credit to the reporting activity. In these instances, the exception data will be entered in "remarks" portion of the manual, DD Form 1348. Reporting activities should not attempt to use exception data as a normal method of reporting of excess material since it makes it necessary to process excess reports "off line" by both the reporting activity and the ICP/IMM.

(3) The excess report must be accompanied by technical data including special forms when a National Stock Number is not available.

b. The message will be prepared as reflected in paragraph 03500. Messages will be used only when facilities are not available to permit electronic transmission of documents or when rapid document transmission is required to expedite processing of the excess report. The subject line of the message should be "MILSTRIP EXCESS REPORTS - FTE."

c. Excess reports of serviceable Nonconsumable Item Material Support Code (NIMSC) 5 items from SICA reporting activities to the appropriate Service SICA will be submitted. Quantities which are not required by the SICA will be forwarded to the lead Service PICA using DI FTE, the PICA's RIC in RP 4-6, M&S Code 9, Signal Code C or L, the SICA's fund code in RP 52-53 and the SICA's RIC in RP 67-69. If appropriate, the SICA will provide DI FTD delay status to the excess holder for the quantity referred to the PICA. The date in RP 70-73 of the FTD, if used, will be 35 days subsequent to the date the report was forwarded to the PICA. The PICA will provide disposition instructions to the SICA, designated by RP 52, and the M&S code. The SICA, in turn, will provide disposition instructions to the reporting activity.

d. When the SICA has excess NIMSC 5 serviceable stocks on hand, the SICA will prepare DI FTE in accordance with the guidelines above but with the SICA's own document number.

5. SUBMISSION OF EXCESS REPORTS (DI FTE). Reporting of excesses will be determined by the existing retention and reporting policy stated in DoD Directive 4100.37 for stock material and Chapter 6 for MTIS excess to local stock point needs. Excess reports will be forwarded by the reporting activity to the ICP/IMM. All GSA customer excess reports will be sent to RI GGO. Part Number excess reports (DI FTG) will be forwarded directly to DAAS for possible conversion to an NSN. Excess reports (DI FTE) transmitted by automated communications networks will always be routed through DAAS.

6. COMBINED RECEIPT REPORT/CREDIT INTERROGATION DI D6_. Where local procedures permit, stock points may accept turn-in of Navy ICP/IMM-managed items which are excess to the returning activity's requirements, but for which there has been no prior DI FTE submitted. Such receipts may be taken directly into stock and reported to the cognizant ICP/IMM via a Receipt Transaction Report (DI D6_). Where credit is sought by the returning activity, such reports will cite Project Code RDE, Management Code C, and a Signal Code which designates the returning activity as credit recipient. The DI D6_ format is provided in Appendix 28. Subsequent to its submission to the source of supply, processing will occur in accordance with other provisions of this chapter as if there had been a DI FTE report, except that the DI FTR will not cite Status Code TC.

7. CANCELLATION OF EXCESS REPORTS (DI FTC). The need for timely and accurate cancellation actions under the above conditions is emphasized to avoid unnecessary follow-ups and to ensure that ICP/IMM records reflect accurate quantities. Cancellation of excess reports, in total or partial quantities, will be prepared using Appendix 28 and submitted to the ICP/IMM under the following conditions:

a. When it's determined that material is not available in the quantity reported on the excess report, a cancellation (DI FTC) will be promptly submitted to the ICP/IMM indicating the quantity to be canceled.

b. Upon determining that the material will not be returned, a cancellation (DI FTC) will be promptly submitted to the ICP/IMM indicating the quantity to be canceled.

8. PROCESSING REPLIES TO EXCESS REPORTS (DI FTR).

a. The ICP/IMM Reply to Excess Report (DI FTR), prepared using Appendix 28, is used by the ICP/IMM to respond to all excess reports (DI FTE). The FTR reply will be processed by the reporting activity (using the excess transaction status code) taking the following actions:

(1) Use a cancellation (DI FTC) when determined that material will not be returned,

(2) Prepare a Shipment Status Card (DI FTM) as shown in Appendix 28 and promptly submit to the ICP/IMM after material directed for return is released to the carrier. Prepare a separate DI FTM for each shipment. Take care to ensure that appropriate data content, including suffix code (RP 44) of the individual DI FTR document, is perpetuated in the DI FTM.

b. Upon receipt of a DI FT6 follow-up on a DI FTR from the ICP/IMM, the reporting activity will review records to determine whether or not a DI FTR had been received. If there is no record of having received a DI FTR, the DI FT6 will be converted to a DI FTR and processed. If shipment has not occurred, a DI FTL citing the estimated date of shipment will be submitted. If shipment has occurred, a DI FTM will be submitted whether or not a DI FTM had been submitted previously. When less than the total quantity contained in the original FTR is to be shipped, the reporting activity will respond to the FT6 with a DI FTL for the quantity to be shipped and a DI FTC for the quantity which will not be shipped. If any of the shipment has already occurred, the reporting activity will respond to the FT6 with DI FTM for the quantity which has been shipped and with DI FTL and/or FTC for the remaining portions of the originally reported quantity.

c. When DI FTR is transmitted to the SICA designated by RP 52, the SICA will forward the disposition instructions to the excess holder. The excess holder will provide advice to the SICA regarding shipment or cancellation and the SICA will provide DI FTM or FTC to the PICA. If the SICA receives DI FT6 from the PICA and has no record of shipment, the SICA will follow-up to the excess holder and submit an interim DI FTL to the PICA containing a future estimated shipping date. This preserves the PICA's due-in record pending a firm reply to the FT6.

9. FOLLOW-UPS ON REPORTED EXCESSES (DIS FTF//FTT/FTP).

a. Reporting activity follow-ups consist of three types:

(1) FOLLOW-UP FOR ICP/IMM REPLY TO EXCESS REPORT (DI FTF). This follow-up is used to obtain status of the original excess report (DI FTE). It's prepared as shown in Appendix 28. If no DI FTR or DI FTD has been received, DI FTF is sent no earlier than 30 days from submission date of the DI FTE. DI FTF data will be the same as the DI FTE. If a DI FTD has been received but no FTR, the DI FTF is sent at the expiration of expected reply date.

(2) FOLLOW-UP FOR ICP/IMM MATERIAL RECEIPT STATUS (DI FTT). This follow-up is used when material to be returned has been shipped as directed by a Reply to Excess Report (DI FTR) but an ICP/IMM Material Receipt Status Card (DI FTZ) has not been received. This follow-up is prepared as in Appendix 28. DI FTT is submitted no earlier than 70 days (CONUS) or 130 days (overseas) after shipment. The DI FTT data is the same as the DI FTM.

(3) FOLLOW-UP FOR CREDIT (DI FTP). This follow-up is used when material to be returned has been shipped and credit allowance was indicated by ICP/IMM Material Receipt Status Card (DI FTZ) - but no credit billing has been received. It will be prepared in accordance with MILSBILLS.

b. Follow-ups will be submitted to the ICP/IMM to whom the original excess report (DI FTE) was submitted, except when information has been received in a DI FTQ status document that the DAAS has rerouted the excess report to the correct ICP/IMM. In this case, the follow-up will be submitted to the activity identified in the DI FTQ status card received from the DAAS.

10. AUTOMATIC RETURNS (DI FTA).

a. DI FTA will be used in lieu of DI FTE for items designated (by a supply source) for automatic return under material returns program. Supply sources will notify reporting activities of the storage location where items are to be shipped. The DI FTA format is shown in Appendix 28. Subsequent to its submission to the supply source, processing will occur in accordance with other provisions of this chapter as if there had been a DI FTE report and a DI FTA reply which authorized return. This excludes DIs FTF and FTD.

b. All unserviceable (Supply Condition Code E or F), repairable items whose Nonconsumable Item Material Support Code (NIMSC) is 5 are designated for automatic return to the storage location designated by the lead service PICA. The PICA will notify each SICA of the storage location where these items are to be shipped. Other using Service SICAs will perpetuate this information to SICA activities in accordance with intra-service procedures. Intra-Navy notification will be via the Master Repairables Item List (MRIL). If there is no Service or Agency SICA for an item identified for automatic return, the PICA will provide the storage location information to the designated Service/Agency activity. When an unserviceable NIMSC 5 item is automatically returned and replacement item is being or will be requisitioned, the DI FTA turn-in document, and all subsequent documentation, will contain Project Code 3AL. If no replacement item is being or will be requisitioned, the DI FTA, turn-in document, and all subsequent documentation will not contain Project Code 3AL.

c. Automatic returns of NIMSC 5 items by Navy activities to other service PICA storage locations will be preceded by submission of the required DI FTA by the Navy shipping activity to the Navy SICA supply source. This document will include a media and status code which designates the shipping activity as status recipient. The Navy SICA will in turn forward the DI FTA and any subsequently received DI FTC, FTL, FTM, or FTT to the PICA, modified to contain the PICA RIC in RP 4-6, Signal Code C or L, and a SICA fund code in RP 52-53. Concurrently, the Navy SICA will provide the status recipient with a DI FTR citing Status Code T6. This includes the RIC of the PICA in RP 67-69. Following receipt of the FTR, any additional MRP documentation will be exchanged between the PICA and the status recipient without involvement of the Navy SICA as an intermediary (e.g., Warner Robins AFB ALC may send the FTR directly to a Naval Air Station holding a WIMM cog repairable without notifying NAVICP PHIL).

d. No other inter-service/agency use of DI FTA is currently authorized.

e. Service/agencies may use DI FTA internally for intra-service/agency programs that do not conflict with other provisions of this manual.

11. DEFENSE AUTOMATIC ADDRESSING SYSTEM (DAAS). DAAS will perform an FSC/NIIN validation and supply source edit of excess report documents containing DIs FTC, FTE, FTF, and FTR and will accomplish the following:

- a. DIs FTM, FTP, and FTT will be passed to the activity represented by the RIC in RP 4-6.
- b. DIs FTB, FTD, FTQ, FTR, FTZ, and FT6 will be routed in accordance with the M&S Code.
- c. DIs FTA, FTC, FTE, and FTF containing M&S Code 9 will be passed to the RIC in RP 4-6 by DAAS when the signal code is C or L and the code in RP 52 identifies a valid "bill to" DODAAC in accordance with Supplement 1 to DoD 4000.25-7-M, MILSBILLS. If the signal code is not C or L or the activity in RP 52 cannot be identified, DAAS will return the transaction to the originating station with a narrative explanation of the reason for return. When DI FTA does not contain M&S Code 9, DAAS will pass the transaction to the RIC in RP 4-6.
- d. When DIs FTC, FTE and FTF do not contain M&S Code 9, DAAS will perform an NSN/NIIN validation and a source of supply edit as follows:
 - (1) If the NSN is correct and managed by the ICP/IMM identified in RP 4-6, Advice Code 3T will be entered in RP 65-66 and the document will be transmitted to that ICP/IMM.
 - (2) If the NSN is correct but is not managed by the ICP/IMM identified in RP 4-6, the correct ICP/IMM RIC will be entered in RP 4-6, Advice Code 3T will be entered in RP 65-66 and the document will be transmitted to the correct ICP/IMM. DAAS will provide the reporting activity with a DAAS Excess Report Informative Status (DI FTQ) containing Status Code TZ in RP 65-66.
 - (3) If the FSC/NIIN validation indicates that the FSC is incorrect, the FSC will be changed and the RIC of the ICP/IMM in RP 4-6 will be changed where applicable. Advice Code 3T will be entered in RP 65-66 and the document will be transmitted to the managing ICP/IMM. DAAS will provide the reporting activity with a DI FTQ containing Status Code TZ in RP 65-66.
 - (4) If routing to an ICP/IMM cannot be done by DAAS, the document will be passed to the activity identified in RP 4-6.
- e. DAAS will edit DI FTR rejects containing Status Codes SC and SD for correct IPC/IMM and FSC as follows:
 - (1) If the NSN is correct and belongs to the rejecting ICP/IMM, the DI FTR will be converted to DI FTE with Advice Code 3T in RP 65-66 and returned to the rejecting ICP/IMM. When DAAS converts DIs FTRs to DIs FTEs and returns the DIs FTEs to the rejecting ICP/IMM, DAAS will enter Code "D" in RP 70 of the DI FTE to provide the ICP/IMM with a duplicate document override edit.
 - (2) If the FSC is incorrect, the DI FTR will be converted to DI FTE with the correct FSC, Advice Code 3T will be entered in RP 65-66 and the document will be returned to the rejecting ICP/IMM or transmitted to the correct ICP/IMM.

(a) When DAAS converts DIs FTRs to DIs FTEs and routes the DIs FTEs to an ICP/IMM other than the rejecting ICP/IMM, DAAS will provide the reporting activity with DI FTQ status containing Status Code TZ in RP 65-66.

(b) When the converted DI FTE is routed back to the rejecting ICP/IMM, Code D will be inserted in RP 70 to provide the ICP/IMM with a duplicate document override edit and DAAS will provide the reporting activity with a DI FTQ containing Status Code TZ in RP 65-66.

(3) If a DLA/GSA IMM or Navy FMSO has coded the item "inactivated" in DAAS records and a DLA, GSA, or Navy activity originated the reject document, DAAS will change the status code in RP 65-66 to TC and forward the DI FTR to the reporting activity.

(4) When DAAS cannot identify the ICP/IMM, the DI FTR rejects will be forwarded to the reporting activity.

f. DAAS will edit DI FTR rejects from GSA with Status Code SC as follows.

(1) If the NSN is correct and belongs to GSA, DAAS will change the status code in RP 65-66 to TC and forward the DI FTR to the reporting activity.

(2) If the NSN is correct and it is managed by an ICP/IMM other than GSA, the DI FTR will be converted to DI FTE, Advice Code 3T in RP 65-66 and transmitted to correct ICP/IMM.

(3) If the NSN is incorrect and it is a GSA managed item, the DI FTR will be converted to a DI FTE with correct NSN, Advice Code 3T in RP 65-66 and transmitted to GSA.

(4) If the NSN is incorrect and it is managed by an ICP/IMM other than GSA, the DI FTR will be converted to DI FTE with correct NSN, Advice Code 3T in RP 65-66 and transmitted to correct ICP/IMM.

(5) If the NSN cannot be identified, DAAS will change the status code to SD and transmit DI FTR to reporting activity.

11. ICP/IMM PROCESSING OF EXCESS REPORTS (DI FTE).

a. Excess reports will be processed to determine disposition of reported assets. Excess reports containing project codes assigned for specific returns program purposes (i.e., roll back, automatic returns) will be accorded processing consistent with assigned controls. The Reply to Excess Report (DI FTR), prepared in accordance with Appendix 28, will be used to respond to excess reports no later than 30 days from date of receipt of the DI FTE. If a DI FTR cannot be provided within 30 days, a DI FTD, Reply to Report of Excess Delay Status, will be provided with Status Code TR and the date a reply may be expected in RP 70-73. Responses to individual excess reports may identify any of the conditions employing a Material Returns Program (MRP) suffix code as indicated in Appendix 8.

b. If the determination is made that the material is required, the ICP/IMM will establish a due-in for the quantity of material to be returned and provide a MILSTRAP Prepositioned Material Receipt Card (PMRC) to the receiving depot in accordance with the provisions of DoD 4140.22-M, MILSTRAP. If a cancellation is processed or 120 (CONUS) 180 (overseas) days have elapsed, whichever comes first, the ICP/IMM will take action to delete the PMRC.

- c. Priority designators in DI FTR documents will be assigned iaw DoD Directive 4410.6:
 - (1) Priority Designator 03 will be used in the return of critical items and approved intensive management items (including serviceable local excesses of such items).
 - (2) Priority Designator 06 will be used in the return of material identified by the material manager as qualified for automatic return to the DoD distribution system.
 - (3) Priority Designator 13 will be used in the routine return of material not covered above (except surplus and scrap) such as the return of local excess stocks to supply sources.
- d. Excess reports received by the ICP/IMM which can't be processed will be rejected to the reporting activity using DI FTR status and an "S" series reject status code from Appendix 2.
- e. Excess reports received for items requiring extended screening/ review will be suspended. The reporting activity will be provided a DI FTD status with Status Code TR and the date a reply may be expected in RP 70-73.
- f. All manually prepared excess reports (DI FTE) received by an ICP for which it is not the prime manager will be forwarded to the responsible ICP for processing. The correct ICP RI Code will be entered in RP 4-6 of the FTE. The ICP will provide the reporting activity with a Reply to Excess Report (DI FTR) containing Status Code T6 in RP 65-66. The RI Code of the forwarding ICP will be entered in RP 4-6 and the RI Code of the ICP representing the last known source will be entered in RP 67-69.
- g. If the determination has been made that an FSC change is required on a manually prepared excess report (DI FTE), the correct FSC will be entered, the RI Code of the ICP/IMM in RP 4-6 will be changed (where applicable) and the FTE will be forwarded to the responsible ICP for processing. The reporting activity will be provided with a Reply to Excess Report (DI FTR) containing Status Code T7 in RP 65-66. The RI Code of the forwarding ICP will be entered in RP 4-6 and the RI Code of the ICP representing the last known holder will be entered in RP 67-69.

12. ICP/IMM MATERIAL RECEIPT STATUS (DI FTZ).

- a. The ICP/IMM Material Receipt Status (DI FTZ) documents will be prepared in accordance with Appendix 28 and will be used by ICPs/IMMs to provide reporting activities with notification of material receipt or nonreceipt on returns. The DI FTZ will be provided upon processing of the receipt for other than suspended condition material, or upon processing of inventory adjustment action moving assets from suspended condition to correct condition, or not less than 30 days after DI FTS when no receipt or DI FTM has been processed. Multiple DI FTZ documents will be provided when a single shipment is received in more than one material condition. Status codes will be entered in the DI FTZ documents as follows:
 - (1) Status Code TN will be entered when credit is granted for the condition and quantity of material received.
 - (2) Status Code TM will be entered when reduced or no credit is allowed, because the condition of material received is less than that authorized for return.

(3) Status Code TL will be entered when the material received is other than that authorized for return and no credit is allowed.

(4) Status Code TP will be entered when the material is not received within prescribed time frames, follow-up action has been unsuccessful, and the credit authorization is canceled.

(5) Status Code TQ will be entered when the material has been received for an authorized noncreditable return.

b. OC ID FTZ will always reflect the document number, including suffix code, contained in the DI FTA or FTR. When multiple DI FTZ documents are required for material received in a different condition, each DI FTZ produced will retain the document number and suffix code of the DI FTA/FTR.

13. PROCESSING OF SHIPMENT STATUS (DI FTM).

a. The shipment status card is an information document and normally requires no subsequent generation of documentation. ICPs/IMMs will receive shipment status cards and update appropriate material management records. The shipment date indicated in the DI FTM is available to material managers to verify intransit status and provide information on expected receipts. DI FTM documents received for items not under the cognizance of the ICP/IMM will be rejected to the reporting activity using DI FTR with Reject Status Code SC. DI FTMs - which do not pass data fields validity edits - will be rejected to the reporting activity using DI FTR with the appropriate S -- series status code.

b. If the ICP/IMM requires advice of shipment to support related supply decisions and the DI FTM has not been received, an ICP/IMM follow-up (DI FT6) will be prepared in accordance with Appendix 28 and forwarded to the reporting activity. The DI FT6 will not be generated until at least 5 days have elapsed from the transmission of the DI FTR (Pri 03) or 50 days (Pri 13) and no DI FTM or receipt has been posted. A DI FT6 may be generated upon expiration of the due-in time frame when a DI FTL or FTM has been received, but the receipt has not been posted. The ICP/IMM is authorized to follow-up, without regard to the established time frame, to satisfy a Priority 01-08 requirement with its excess material.

14. PROCESSING FOLLOW-UPS FROM REPORTING ACTIVITIES (DI FTF/FTT/FTP).

a. Follow-ups submitted by reporting activities consist of three types:

(1) Follow-up for ICP/IMM Reply to Excess Report (DI FTF).

(2) Follow-up for ICP/IMM Material Receipt Status (DI FTT).

(3) Follow-up for Credit (DI FTP).

b. In receipt of a DI FTF, the ICP/IMM will determine if there is a record indicating that the original DI FTE was received.

(1) If a record is established and a DI FTD, indicating delayed response, was provided to the customer, a duplicate DI FTD or FTR will be provided. If a record is established and a DI FTD or FTR was not provided, one of the following actions will be initiated:

(a) If the DI FTE transaction is in process, a DI FTD will be provided to the customer with Status Code TR in RP 65-66 indicating the DI FTE is in process and a DI FTR will be provided at a later date.

(b) If the DI FTE transaction is in process, a DI FTD will be provided to the customer with Status Code TR in RP 65-66 indicating the DI FTE is in process and a DI FTR will be provided at a later date.

(c) If the DI FTE was rejected by the ICP/IMM as invalid, the DI FTF will produce a DI FTR to the reporting activity with the same status code use in the original DI FTR.

(2) If no record of receipt of the DI FTE exists, the ICP/IMM will process the DI FTF as a new DI FTE and provide a DI FTR, as appropriate, to the reporting activity.

c. In receipt of a DI FTT, the ICP/IMM will review records and take action as follows:

(1) If the record indicates material has been received and classified, a DI FTZ will be transmitted to the customer.

(2) If the records indicate that material has been received but not classified, the ICP/IMM will provide a DI FTR with Status Code TT to the customer.

(3) If records indicate that material has not been received, and if material is not located after investigation, the reporting activity will be receive a DI FTR with Status Code TU.

d. On receipt of a DI FTP, the ICP/IMM will take action in accordance with DoD 4000.25-7-M MILSBILLS.

(1) If the material has been received, determine if credit has been previously granted. Provide a DI FTB with appropriate status code, i.e., TW, TX or TY.

(2) If material has not been received, provide DI FTB with Status Code TU.

(3) Responses to DI FTP documents with DI FTB documents will follow MILSBILLS.

e. DI FTF received for items not under the cognizance of the ICP/IMM will be rejected to the reporting activity using DI FTR with Reject Status Code SC. DI FTF which do not pass data field validity edits will be rejected to the reporting activity using DI FTR with appropriate reject status code.

15. CANCELLATION OF EXCESS REPORT (DI FTC).

a. Upon receipt of cancellation (DI FTC), the ICP/IMM will take necessary action to cancel or reduce quantity in all applicable documents affected by the DI FTC including decision to return, due-in record, Preposition Material Receipt Card (PMRC) and credit suspense, if applicable.

b. Cancellation action will be initiated by the ICP/IMM when material is not received and no response has been received within 30 days after DI FT6 follow-up. Cancellations initiated by the ICP/IMM or in response to a DI FTC will be done as follows:

(1) For creditable returns, notification of cancellation to the reporting activity will be made using DI FTZ with Status Code TP.

(2) For noncreditable returns, notification of cancellation to the reporting activity will be made using DI FTZ with Status Code TV.

c. The ICP/IMM will follow these same cancellation procedures when a DI FTM (Shipment Status) has been received but material has not been received within 120 days (CONUS) or 180 days (Overseas) from the date released to carrier, indicated in RP 57-59 of the DI FTM.

16. LATERAL REDISTRIBUTION OF REPORTED EXCESSES.

a. Upon receipt of a DI FTE, FTC, FTF transaction card from DAAS with Advice Code 3T and the Source of Supply (SOS) has been changed, the losing ICP/IMM will arrange to change the DIDS and DAAS source of supply files.

b. The losing ICP/IMM will prepare and transmit through DAAS an FTE, FTC, FTF transaction card, as appropriate, containing Advice Code 3U to the gaining source of supply in RP 4-6.

17. INVENTORY CONTROL POINT /INTEGRATED MATERIAL MANAGER PROCESSING OF DI FTE/FTC/FTF DOCUMENTS WHEN SOURCE OF SUPPLY (SOS) HAS CHANGED.

a. Upon receipt of a DI FTE, FTC, FTF transaction from DAAS, with Advice Code 3T when the SOS has been changed, the losing ICP/IMM will change the DIDS and DAAS SOS files.

b. The losing ICP/IMM will then transmit through DAAS DIs FTE, FTC, and/or FTF transactions, containing Advice Code 3U to the gaining SOS in rp 4-6.

c. DAAS will pass the DI FTE, FTC, or FTF documents to the gaining SOS.

18. INVENTORY CONTROL POINT / INTEGRATED MATERIAL MANAGER LATERAL REDISTRIBUTION OF RETAIL ASSETS.

a. Service / Agencies can exclude GFM, SA, and CFM backorders from these procedures.

b. If a backorder is to be supplied by lateral redistribution of material identified by an Inter- or Intra-Service retail asset visibility system, the LRO will contain appropriate data from the requisition, DI A4 in RP 1-3, the RI of the reporting activity in RP 4-6, Distribution Code 2 in RP 54, and the ICP / IMM's RI in RP 74-76. The LRO will be forwarded through DAAS to the reporting activity. A DI AE w/BA status will be provided to eligible status recipients. LROs for lateral redistribution of retail assets will be prepared in the Appendix 28 format.

c. The reporting activity will:

(1) Process the LRO on a fill / kill basis without substitution.

(2) Provide DI AE6 / BA status for material processing, or CB status for material denial to the activity identified in RP 74-76 of the LRO and include Distribution Code 2 in RP 54.

(3) Insure material is shipped, using Form 1348-1A, to the activity identified in the LRO as the "ship-to" addressee. When the material is shipped, transmit a DI AS6 to the activity identified in RP 74-76 of the LRO. The DI AS6 will include the DODAAC, in RP 45-50, and fund code, in RP 52-53, of the activity to which the credit for the material and reimbursement for the PCH&T costs is to be provided; and signal code B, in RP 51, and distribution code 2 in RP 54.

(4) Establish internal records to receive credit for the material and reimbursement for PCH&T costs and not generate billing transactions.

d. The ICP / IMM will:

(1) Use the DE AE6 w/BA status and a "2" in RP 54, to update estimated ship dates.

(2) Upon receipt of the DE AS6 with a "2" in RP 54, generate billing transactions to the requisitioner and provide crediting transactions for the material and PCH&T costs, under the procedures of MILSBILLS (reference (s)), to the activity identified in RP 45-50 of the DI AS6.

(3) Use the DI AS6 with a "2" in RP 54 to generate a DI AS8 transaction

(4) Upon receipt of an AE6 w/CB status and a "2" in RP 54, reinstate the requisition and provide appropriate status to eligible status recipients.

(5) Status transactions created as a result of processing DI AE6 /AS6 transactions with a "2" in RP 54, will contain the distribution code of the original requisition.

(6) Generate DI AF6 follow-ups to the reporting activity with distribution code "2" in RP 54 when:

(a) Initial supply status (BA or CB status) is not received on LROs within 10 days.

(b) Supply status BA and no ESD and 10 days have elapsed since the transaction date of the BA status.

(c) Supply status BA with an ESD and the ESD has expired.

(d) No response received to previous follow-up and 10 days have elapsed. Continue follow-up until status is received, backorder reestablished or final disposition is determined.

19. SUPPLY SOURCE PROCESSING OF CANCELLATION REQUESTS FOR LATERAL REDISTRIBUTION ORDERS OF RETAIL ASSETS.

a. Supply source cancellation requests will be submitted to reporting activities regardless of dollar value and quantity when Status Code BA is recorded, but shipment status (DI AS6) has not been received. The DI AC6 will contain the RI of the reporting activity in RP 4-6 and a "2" in RP 54. The supply source will provide DI AE_ w/B9 to all eligible status recipients.

b. If shipment status has been received, provide DI AU_ status to all eligible status recipients.

c. Supply sources in receipt of responses to DI AC6 will provide appropriate status to all eligible recipients.

20. REPORTING ACTIVITY PROCESSING CANCELLATION REQUESTS FOR LATERAL REDISTRIBUTION ORDERS OF RETAIL ASSETS.

- a. Reporting activities will attempt cancellation to the maximum extent possible.
- b. When the reporting activity has no record of the LRO, the supply source will be provided DI AE6 with Status Code BF and a distribution code "2" will be entered in RP 54.
- c. If cancellation cannot be done, the supply source will be provided DI AE6 with Status Code B8 and distribution code "2" will be entered in RP 54.
- d. If cancellation can be done, the supply source will be provided DI AE6 with Status Code BQ and distribution code "2" will be entered in RP 54.
- e. The reporting activity will not attempt diversion of material confirmed shipped.

SECTION 5

02160 ADJUSTMENT TRANSACTIONS

1. GENERAL. Reporting stock points are required to forward adjustment transactions to the inventory manager which affect the on-hand stock balances for an item. Transaction reports for financial adjustments which do not affect stock inventory balances are needed by inventory managers. Formats and instructions for submitting adjustment transaction reports are shown in Appendix 28.

- a. Adjustment transactions are required for the following types of adjustment actions:
 - (1) Adjustments caused by catalog change actions.
 - (2) Reidentification of improperly identified material.
 - (3) Offsetting adjustments to purpose and condition codes.
 - (4) Discrepancies disclosed by physical inventory.
 - (5) Ownership gains and losses applicable to single manager for conventional ammunition.
- b. The Material Adjustment Document, DD Form 1487, is designed for either a single or dual transaction.
 - (1) The first method accommodates those processing techniques which employ individual increase or decrease adjustment actions against the accountable inventory control records: DD Form 1487 containing document identifiers in the D8 or D9 series and prepared as outlined in Appendix 28. When processing document identifiers D8S and D9S, format using Appendix 28.
 - (2) The second method provides for offsetting (dual) adjustments to condition or purpose code in a single Material Adjustment Document. This is possible by using the "FROM" and "TO" data fields in the Material Adjustment Document. DD Form 1487 containing document identifier DAC or DAD and prepared as outlined in Appendix 28.

c. Changes between ownership codes, from purpose codes to ownership code, or from ownership code to purpose code will not be made by an adjustment action. Appropriate issue and receipt transactions will be processed to make the necessary accounting reasons. An exception to this rule is the use of the dual Inventory Adjustment Transaction, DIC DAS, and corresponding single adjustments, DBS/D9S to effect ownership gain/loss under the single manager for conventional ammunition concept.

d. Changes in project or distribution codes maintained on the inventory control record will be done by using individual increase and decrease material adjustment cards containing appropriate document identifiers in the D8 and D9 series.

e. Inventory adjustments, resulting from clerical or mechanical accounting errors, but which cannot be corrected by reversing the original transaction, will contain DIC D8B if the adjustment is an increase, and DIC D9B, if the adjustment is a decrease.

f. When inspection of stocks on hand reveals that the condition has changed to an uneconomical reparable state, or that the shelf-life expiration date has passed, storage activities will report the variance to the ICP within three calendar days. Submit a DI DAC Inventory Adjustment. Enter the supply condition code under which the item was carried, prior to determination of the uneconomical reparable state, or prior to the shelf-life expiration date, in RP 71. Enter the applicable supply condition code to which the item is being classified in RP 66. Storage activities may automatically turnover condemned and expired shelf-life material to the property disposal activity or take other automatic disposal actions based on criteria promulgated by the service/agencies. When automatic disposal action is taken, the storage activity will advise the ICP by entering Management Code M (excludes shelf-life material) or Management Code T (expired shelf-life material) in RP 72 of the DI DAC Inventory Adjustment.

g. Inventory losses resulting from shrinkage, theft, contamination, deterioration, and expired shelf-life will contain DI D9G. Losses resulting from major disasters, fire, enemy action, acts of God, etc. will be identified by DI D9H.

h. DIs in the DB series (for gains) and DC series (for losses) are to be used for financial adjustments and the transactions will be prepared in accordance with the regulatory procedures prescribed by the Services/Agencies. No formats are currently prescribed in the MILSTRAP manual.

2. CHANGES IN CONDITION.

a. When inspection of stocks on hand reveals a change in condition of the material and immediate reclassification is possible, stock points will report such variances to the ICP within three calendar days by means of an Inventory Adjustment Transaction, DAC, as shown in Appendix 28. The condition under which the item is carried on the records will be entered in RP 71 and the new condition code will be entered in RP 66.

b. When inspection of stock discloses it's suspect for issue (and immediate reclassification is beyond capabilities) the storage activity will transfer the material to Supply Condition Code J and submit a DI DAC Inventory Adjustment to the ICP. Enter the supply condition code of record in RP 71 and Supply Condition Code J in RP 66. When classification is completed, storage activities will submit DI DAC Inventory Adjustments entering supply Condition Code J in RP 71 and the new supply condition code in RP 66. Storage activities will complete the classification of material suspended under Supply Condition Code J (with the exception of ammunition, Class V material) within 90 calendar days after submitting the original adjustment to the ICP. Class V material may be retained in Supply Condition Code J up to 270 calendar days. See paragraph 2e for other exceptions to the 90 day criteria.

c. When material is suspended in order to identify condition (Condition Code K), storage activities will classify the material (with the exception of ammunition Class V material) within 10 calendar days after submitting the original receipt. Class V material may be retained in Supply Condition Code K up to 45 calendar days. When the material has been classified, submit to the ICP a DI DAC Inventory Adjustment using the same document number cited in the original receipt transaction. Enter Supply Condition Code K in RP 71 and the new supply condition code in RP 66. See paragraph 2e below for exceptions to the 10 calendar day criteria.

d. Storage activities will reclassify assets (identified by reclamation activities) as Supply Condition Code R. Such assets will be classified to actual condition within 180 calendar days after submitting the original receipt transaction or prior to induction into maintenance activities for repair/modification, whichever is sooner (see paragraph 2e below for exceptions to the established time frame). When Condition R assets are classified, storage activities will submit (to the ICP) a DI DAC Inventory Adjustment. Enter Supply Condition Code R in RP 71 and the actual supply condition code to which the item was classified in RP 66. When a storage activity does not have the capability to test/check Condition R assets for actual condition, the material may be forwarded to a maintenance activity having the capability to determine actual condition. The actual condition of the assets will be recorded on the accountable record before a determination is made to include the assets in a scheduled maintenance program.

e. When additional time is required to classify material held in Condition Codes J or K due to large quantities, lack of facilities, nonavailability of personnel and/or test equipment, or other circumstances considered justified, an extension request will be initiated by the stock point and forwarded to the accountable ICP. When appropriate, the ICP will approve the request for extension, notify the stock point and establish a suspense to ensure that reclassification action is taken within the agreed time frame. If a request for extension is not approved by the ICP, the stock point will make every effort to comply with the established time frame. Inventory managers may request reclassification at any point in time, if it's necessary based on their stock position and overall management responsibility.

f. When inspection of stocks reveals a change in condition to an uneconomical reparable state, or that the shelf-life is expired, stock points will report such variances within three calendar days using an Inventory Adjustment Transaction, DI DAC. The item condition (prior to determination of the uneconomical reparable state) will be entered in RP 71 and Condition Code H will be entered in RP 66. The stock point will turnover condemned material to the property disposal activity. Management Code M has been provided to identify material shipped directly to the property disposal activity and will show in the adjustment transaction cards.

g. Although there is no prescribed time frame for transferring suspended material from Supply Condition Code L, inventory managers will review all records for material suspended in Condition L at least quarterly and will take necessary action to ensure that litigation action is progressing.

3. REIDENTIFICATION OF STOCK, STOCK NUMBER CHANGES, AND UNIT OF ISSUE CHANGES.

a. REIDENTIFICATION OF STOCK.

(1) When inspection reveals that an item in stock has been misidentified, stock points will prepare and transmit two (2) or more material adjustment cards. The first card will contain the misidentified stock number, the quantity misidentified, the DI D9J (Decrease - Reidentification of Stock) and Suffix Code A.

(2) When a new stock number is picked up due to reidentification, the second material adjustment card will contain the same document number as the first card, the identified stock number, the quantity of the identified stock number, the DI D8J (Increase - Reidentification of Stock), and the Suffix Code B. When more than one new stock number is picked up due to reidentification, an additional D8J adjustment card for each newly identified stock number will be prepared and transmitted. The additional D8J adjustment cards will be prepared in the same manner as the second card except that the suffix codes will progress to C, D, etc. as each card is prepared. The suffix codes in the second and ensuing cards will correlate the transactions to the misidentified stock number.

(3) The ICP processes adjustment cards on inventory control records to decrease quantity under incorrectly identified stock number and increase against correct stock number(s).

b. STOCK NUMBER AND/OR UNIT OF ISSUE CHANGES.

(1) When a stock number only change occurs, ICPs will prepare and process two (2) material adjustment cards. The first card contains the replaced stock number, the DI D9K (Decrease - Catalog Data Change), and Suffix Code A. The second card contains the same document number as the first card, the Document Identifier D8K (Increase - Catalog Data Change), and Suffix Code B.

(2) When a unit of issue only change occurs. ICPs will prepare and process two (2) material adjustment cards. The first card will contain the quantity and unit of issue prior to change of unit of issue, the Document Identifier D9K (Decrease - Catalog Data Change), and Suffix Code A. The second card will contain the same document number and stock number as the first card, the new unit of issue, the new adjusted quantity based on the new unit of issue, the Document Identifier D8K (Increase Catalog Data Change), and Suffix Code B.

(3) When stock number and unit of issue change occurs simultaneously, ICPs will prepare and process two (2) material adjustment cards. The first card contains the replaced stock number, its unit of issue and quantity, the DI D9K (Decrease - Catalog Data Change), and Suffix Code A. The second material adjustment card contains the same document number, the replacing stock number and unit of issue, the new adjusted quantity based on the new unit of issue, the DI D8K (Increase - Catalog Data Change), and Suffix Code B.

4. PURPOSE TRANSFERS. Based on authorized programs, material may be reserved for specific purposes and retained on inventory control records until requisitioned. To effect the transfer of assets between purpose codes, the material adjustment card (DIs D8D and D9D or DAD) will be prepared and processed against inventory control records.

5. CONDITION CHANGES FOR ITEMS UNDER REPAIR.

a. When one Service/Agency is repairing items for another Service/Agency, the repairing Service/Agency may, by mutual agreement, notify the owning ICP of the other Service/Agency of condition changes upon:

(1) INDUCTION OF ITEMS INTO REPAIR. The owning ICP will be provided with inventory adjustment transactions to indicate transfer of items from Condition Code F (Unserviceable - Repairable) to Condition Code M (Suspended (In Work)). These inventory adjustment transactions will be identified by DI DAC or D8C and D9C, as appropriate.

(2) COMPLETION OF REPAIR ACTION. The owning ICP will be provided with inventory adjustment transactions to indicate transfer of items from Condition Code M (Suspended - In Work) to the appropriate ready for issue condition. These inventory adjustment transactions will be identified by DI DAC or D8C and D9C, as appropriate.

b. In those instances when items are being repaired at a maintenance facility, reporting of induction into and return from repair will be done as follows.

(1) Reporting of induction into repair will be done by submission of inventory adjustment transactions transferring the items from Condition Code F (Unserviceable - Repairable) to Condition Code M (Suspended In Work). These inventory adjustment transactions will be identified by DI DAC or DAC and D9C, as appropriate.

(2) Return of items from repair will be done by submission of an inventory adjustment transferring the items from Condition Code M (Suspended (In Work)) to a ready for issue condition. These inventory adjustment transactions will be identified by DI DAC or D8C and D9C, as appropriate.

6. CONDITION CHANGES FOR ITEMS BEING REPORTED/TURNED-IN TO DISPOSAL ACTIVITIES.

a. Excess material, serviceable material, and unserviceable material being reported/turned-in to property Defense Reutilization and Marketing Office (DRMO) which are reflected in Condition Codes J, K, L, M, N, P, or R should be reclassified to appropriate condition (Condition Codes A through H and S) prior to preparing documentation to ship the material to the DRMO. Activities not reporting material in the appropriate condition code will run the risk of having the material rejected/returned by the DRMO for proper classification.

b. Only material recorded on accountable records which have been classified in Condition Codes A through H will be turned-in to DRMO. An exception (at the discretion of the Service/Agency) is material which is not identified by an NSN and which is scrap may be classified in Supply Condition Code S for turn-in to DRMO.

c. Disposal Condition Codes, as contained in Appendix 10, will be used by DRMOs to accurately describe the material's physical condition based on inspection of material at time of repair. DRMOs will record both the Supply and Disposal Condition Codes which will be reflected in management data for utilization program screening and review purposes. Disposal Condition Code S, as assigned by the DRMOs, is for "material that has no value except for its basic material content" and is not restricted to material identified by NSN.

7. OWNERSHIP GAINS AND LOSSES. (DoD Directive 5160.65, Single Manager Assignment for Conventional Ammunition)

a. Based on the unique requirements of the Single Manager (SM) for conventional ammunition and the Military Services, separate inventory adjustments DAS, D8S, and D9S have been developed to permit:

(1) Retaining the integrity of the document number from the requisitioner's original demand throughout total processing - when payback actions are necessary.

(2) On-line recording and reconciliation of material debit and credit balances of the SM and affected Military Services.

(3) The Military Services to have an audit trail when their accountable/financial (records) are affected.

b. The DAS transaction is designed for use as a dual transaction limited to effecting paybacks of SM for conventional ammunition items from one owning service to another service in accordance with current DoD policy and interservice agreements. The SM will always initiate the DAS transaction for processing internal adjustments to custodial/accountable records and for notification to SM storage activities. (See Appendix 28 for alignment and format.)

c. The D8S and D9S transactions are used as a single transaction limited to making paybacks of SM for conventional ammunition items from one owning service to another service in accordance with current DoD policy and interservice agreements. The SM will always initiate the D8S/D9S transaction to affected Military Services. (See Appendix 28 for format.)

02165 INTRANSIT CONTROL OF SHIPMENTS TO DISPOSAL

1. GENERAL.

a. These procedures provide for intransit control of property (excluding scrap, waste, nonappropriated fund activity and lost, abandoned, or unclaimed privately owned personal property) shipped to a Defense Reutilization and Marketing Office (DRMO) on a Disposal Turn-In Document (DTID). The time includes from the release by a shipping activity until receipt of the property by the DRMO. The reporting of shipments, through submission of a Shipment Status Document, applies to all shipments of \$100 or more and to all shipments of pilferable or sensitive items per the Defense Integrated Data System (DIDS) Total Item Record (TIR). Reporting is done regardless of dollar value. For the purpose of these procedures, discrepancies will be determined on the basis of the document number and quantity with the discrepant line item value to be computed from the unit price in the DIDS TIR or, if a DIDS TIR unit price is not available, from the unit price reflected in the integrated Disposal Management System (IDMS) "receipt of usable property document" or "receipt document."

b. **CRITERIA FOR MATERIAL TO BE RETURNED TO DISPOSAL.** These procedures do not negate the authority of the DRMO to refuse acceptance of accountability and physical receipt of certain types and classes of material as outlined in paragraph D, Chapter IV, DoD 4160.21-M, Defense Disposal Manual. If it is determined that the material is not acceptable and the shipment is rejected/returned to the shipper, the DRMO will provide a notice of rejection to DRMS in accordance with existing procedures. The notice of rejection will purge the DRMS suspense file.

c. **SHIPPER ACTION AFTER RECEIPT OF AUTHORIZATION TO RELEASE MATERIAL TO DISPOSAL.** Material will be directed/processed to disposal, using the DTID (Form 1348-1A). All DTIDs must contain a security/pilferage code applicable to the shipment in block 9 of the 1348-1A (see Appendix 9). At the time material is physically shipped/transferred to the DRMO, a Shipment Status document (DI AS3), with Distribution Code 9 in RP 54, reflecting actual quantities shipped and the date shipped will be provided to the DRMS.

(1) Direct transfers to disposal should be made by activities having the capability of preparing intransit shipment status notices (AS3) and other documentation required by the system. Activities without this capability should work through a support activity, e.g., Navy stock point or major Navy industrial activity, to ensure that the documentation is correct and the intransit procedures are accommodated.

(2) Control procedures should be used to ensure the shipment status notices produced are actually sent through the Defense Automatic Addressing System (DAAS). This will prevent needless follow-up and response actions.

(3) Activities shipping material to a reutilization office for another activity should ensure that a new disposal turn in document is made and that the document and the shipment status notice transaction contain the shipping activity DODAAC. This will ensure that follow-up and response measures can be taken when required.

(4) Ensure that follow-up documents are reviewed by the shipping activity for accuracy and that the discrepancies are resolved. The confirmation response should reflect the results of activity research rather than an automatic computer generated response.

(5) Quantities of material dropped from accountability should be matched against the quantities actually shipped. The official receipted copy of the disposal turn-in document received from the Defense Reutilization and Marketing Office (DRMO) should be matched against the suspense copy which reflects the quantity shipped. Diligence in this area is essential to system integrity.

(6) Arbitrary inventory adjustments will not be taken. A thorough review of the circumstances involved will be made. If necessary, a physical inventory will be conducted.

(7) When evidence exists that unresolved discrepancies are the result of theft or other forms of fraudulent activity, report the discrepancy to the appropriate criminal investigative office.

(8) Activities without a data pattern transmission capability should use formatted teletype transmission to submit MILSTRIP documents through DAAS to DRMS. When neither means is available, the documents may be mailed to the DRMS.

(9) On other than local shipments/transfers, the Transportation Control Number (TCN), Government Bill of Lading (GBL), certified mail, insured, or registered parcel post number will be entered in the Shipment Status document (DI AS3) unless the document is transmitted by message using teletype with less than an 80 position capacity. In the latter case, RP 62-80 will be left blank. The Shipment Status document (DI AS3) initiates the DRMS suspense file.

(10) Activities should not prepare a Shipment Status document for items going to disposal until the proper demilitarization is done. Exception to this rule would occur if the DRMO has existing contracts for demilitarization of the item - prior to sale.

d. DRMS SUSPENSE FILE. Intransit control procedures will require the Defense Reutilization and Marketing Service (DRMS) to maintain a suspense file for material turned in to disposal from the time the material is shipped/transferred from the generating sources' storage location until receipt is recorded in the IDMS. Activities lacking an ability to prepare mechanically processable documents and/or AUTOMATED COMMUNICATIONS NETWORKS transmission of the transactions by the nearest capable facility. The use of these controls will provide a central capability to monitor and/or investigate discrepancies in shipments to DRMOs. These controls will also provide a capability for DRMS to provide information to service/agency headquarters (in the case of Navy, the Naval Supply Systems Command) concerning the transfer of property DRMOs. Additionally, these controls will indicate a backlog in receipt processing at a DRMO, requiring assistance by DRMS.

2. DEFENSE REUTILIZATION AND MARKETING OFFICE (DRMO).

a. Local shipments/transfers may be acknowledged by the DRMO by providing a signed "driver control copy" of the DTID to the deliverer.

b. Upon receipt and inspection, if it's determined that the material is acceptable based on your criteria, the DRMO acknowledges receipt to the DRMS in accordance with established DRMS internal procedures. When accountability is accepted by the DRMO, a signed copy of the DTID, reflecting quantity actually received, is provided to the shipping activity.

c. If a discrepancy exists because the quantity received is less than or greater than the quantity entered on the DTID, the DRMO will notify the shipping activity and local resolution should be attempted between the shipping activity and the DRMO. If local resolution is unsuccessful, the actual (over/short) quantity will be reported to DRMS as a receipt acknowledgment and a signed copy of the DTID will be provided to the shipping activity.

3. DEFENSE REUTILIZATION AND MARKETING SERVICE (DRMS).

a. In accordance with DRMS internal procedures, all property received at a DRMO is processed into the IDMS accountable records within 10 working days of receipt. When DRMS processes an IDMS "receipt of usable property document" or "receipt document", it will be compared against the suspense file generated by the Shipment Status document (DI AS3).

(1) If the Receipt document matches a Shipment Status document (DI AS3) previously recorded in the suspense file and:

1. There is no discrepancy, or
2. There is a discrepancy of less than \$100 and the item is not pilferable or
3. The material is classified as scrap, the suspense file will be closed.

(2) If the receipt document matches a Shipment Status document (DI AS3) previously recorded in the suspense file and there is a discrepancy value of \$100 or more, or the item is recorded as pilferable/sensitive material, the DRMS will forward a Disposal Shipment Confirmation Follow-up document (DI AFX) through DAAS to the activity in RP 30-35 of the AS3. The advice code from Appendix 1, describing this discrepant file condition, will be entered in RP 65-66 of the follow-up transaction.

(3) If the Receipt document does not match a Shipment Status document (DI AS3) previously recorded in the suspense file and the extended value is less than \$100, or the Receipt document is for a "batch" of items received by the DRMO, and the item is not recorded as pilferable/sensitive, no further action will be taken. (Note that DRMOs will not include items with greater than \$100 in line item value in batches.)

(4) If the Receipt document does not match a Shipment Status document (DI AS3) previously recorded in the suspense file and the extended value is \$100 or more, or the item is recorded as pilferable/sensitive material, the DRMS forwards a Disposal Shipment Confirmation Follow-up document (DI AFX) through DAAS to the activity in RP 30-35 of the Turn-in document number reflected in the Receipt document. The advice code from Appendix 1 describing this discrepant file condition, will be entered in RP 65-66 of the follow-up transaction.

b. When, after a period of 30 days for CONUS and 60 days for overseas including Alaska and Hawaii, the Receipt document applicable to a Shipment Status document (DI AS3) recorded in the suspense file has not been received by DRMS and the line item value of the AS3 document is more than \$100 (as determined by reference to the AS3 suspense file), a Disposal Shipment Confirmation Follow-up (DI AFX) will be forwarded through DAAS to the activity in RP 30-35 of the AS3.

c. If a Disposal Shipment Confirmation document (DI ASZ) is not received within 20 days of transmission of the Disposal Shipment Confirmation Follow-up (DI AFX), DRMS will forward a second Disposal Shipment Confirmation Follow-up document using DI AFZ. The advice code from RP 65-66 of DI AFX will be perpetuated in DI AFZ. Continued nonresponse for an additional 20 days will close the suspense file; however, accessible records relating to specific cases of nonresponse will be retained for two years. These records will reflect data by service/agency and by activity with stock number, quantities, document numbers, and dollar value variances.

d. Receipt of a Disposal Shipment Confirmation document (DI ASZ) closes the suspense file and causes a comparison of quantities reported shipped, received, and confirmed. Accessible records reflecting stock numbers, quantities, document numbers, dollar value of variances, and the identity of shipping activities and DRMOs will be kept for two years.

e. Receipt of a Supply Status Code (DI AE3) and Status Code BF in RP 65-66 in response to a DI AFX or AFZ closes the suspense file. Accessible records reflecting the stock number, quantity, document number, dollar value, shipping activity, and DRMO are retained two years.

f. DRMS will provide a monthly Intransit Accountability Summary Report to each service/agency MILSTRIP Focal Point and to the DoD MILSTRIP System Administrator. As requested, the DRMS will provide an Intransit Accountability Special Extract Report.

3. SHIPPING ACTIVITY.

a. Supply organizations in receipt of Disposal Shipment Confirmation Follow-up documents (DI AFX or AFZ) will review the advice code in RP 65-66 to determine the reason for the follow-up so that appropriate research can be conducted. Supply organizations will ensure that applicable shipping activities review receipt documentation, investigate discrepancies, and provide timely response to Disposal Shipment Confirmation Follow-ups.

b. Upon receipt of a Disposal Shipment Confirmation Follow-up (DI AFX or AFZ), the shipping activity will verify the actual quantity receipted for by the DRMO.

(1) If the shipping activity (the activity in receipt of the AFX/AFZ) has no record of the shipment or of generating the Shipment Status document (DI AS3), a Supply Status document (DI Code AE3) with Supply Status Code BF in RP 65-66 will be sent to DRMS.

(2) If determined that, a Shipment Status document (DI AS3) has been sent, but no shipment had been made or not recorded (other than the AS3 document) a Supply Status document (DI AE3) with Supply Status Code BF in RP 65-66 is sent to DRMS.

(3) If a signed "driver control copy" or signed receipt copy of the DTID is not available, but investigation indicates property was removed from the storage area and cannot be located, the shipping activity will notify the appropriate criminal investigative activity. At the same time, a Disposal Shipment Confirmation document (DI ASZ) will be transmitted to DRMS through DAAS with a zero filled quantity field.

(4) If a signed receipt of the DTID is available, a Disposal Shipment Confirmation document (DI ASZ) will be transmitted to DRMS through DAAS and will contain the actual quantity receipted for by DRMO. In case of a variance between the quantity on the Disposal Shipment Confirmation Follow-up document (DIs AFX and AFZ) and the quantity receipted for by DRMO, the shipping activity will investigate the variance and coordinate with the DRMO to resolve the overage or shortage. If these actions fail to locate shortage items, and evidence exists that the property was removed from the storage area but not accounted for in DRMO receipts, the shipping activity will notify the appropriate criminal investigative activity. Overages will be considered for return to stock to meet future requirements.

(5) Submit Disposal Shipment Confirmation documents (DI ASZ) within 10 working days of receipt of Disposal Shipment Confirmation Follow-up documents (DI AFX or AFZ).

SECTION 6

02170 SUPPORT OF FORCES AFLOAT/ASHORE

1. GENERAL. Allowance lists, load lists, and supplementary maintenance lists are updated periodically by the inventory manager. To aid in processing changes and adjusting onboard stocks, the inventory manager provides MILSTRIP supply documents to ships and ashore activities as supply aids for additions, deletions, and changes in range and depth. Supply documents are not provided for ships undergoing supply availability. Instead, inventory managers will provide Supply Availability Cards (SAC) (NAVSUP Form 1109) in accordance with Integrated Logistics Overhaul (ILO) Policy and Procedures Manual, Volume 6.

2. FLEET SUPPLY AIDS.

a. INVENTORY MANAGER RESPONSIBILITY. At the time revisions are made to allowance lists, load lists, or supplementary maintenance lists, the inventory manager will provide supply aids "See Figure 2-2" as follows:

FLEET SUPPLY AIDS

Type of Change	Partially Completed Form DD 1348		Partially Completed Form DD 1348-1A		Listing	Afloat
	Mech Ships	Non-Mech Ships	Mech Ships	Non-Mech Ships	All Ships	Non-Mech Ships
Adds (new items)	1	*2	0	0	1	1
Adds (increase in depth)	1	*2	0	0	1 (show old and new quantity)	1
Deletes (old items)	1	1	0	**1	1	
Deletes (decreases in depth)	1	1	0	**1	1 (show old and new quantity)	

Figure 2-2

*Collated to form one deck.

**Segregated by Status Code into categories:

Category 1 (Status Code N1): Obsolescent items and/or items in system long supply as defined in NAVSUP Pub 1500.

Category 2 (Status Code N2): All other items. Issues not in long supply, undetermined items or items whose supply or technical characteristics required special processing prior to issues.

b. Ships Responsibility. Ships receiving supply aids will take the following action:

(1) Skeleton Requisitions (DD 1348) for ADDS: Enter applicable information in blank columns at time of submission of requisition. Nonmechanized ships will retain the 2nd copy of the requisition in appropriate file pending receipt of material.

(2) SUPPLY DOCUMENT FOR MATERIAL TURN-INS.

(a) (1348-IA) Issue Release/Receipt Document (IRRD) for units with bar coding capability. Nonmechanized ships complete the skeleton Form 1348-1A including quantity turned in as dictated by a check of the EAM listing against the stock balance card. Mechanized ships prepare the entire Form 1348-1A or DD Form 1348 from the punched supply aid cards provided for deletes and quantity decreases.

(b) Forward completed Form 1348-1A or DD Form 1348 with the material turned in to store.

(3) EAM LISTING. Update necessary records as it applies.

(4) STOCK RECORD CARD (AFLOAT) (NAVSUP FORM 1114) (NON-MECHANIZED SHIPS). Insert card in stock record file.

c. STOCK POINT RESPONSIBILITY. Ships will forward requisitions/turn-ins to designated stock point. Upon receipt of document, stock points will:

(1) Process requisitions in accordance with procedures in paragraph 02130.

(2) Process material receipt documents in accordance with paragraph 02120.

3. SUPPLY AVAILABILITY CARDS (SAC).

a. INVENTORY MANAGER RESPONSIBILITY. Prior to supply overhaul, inventory managers have been assigned the following responsibilities:

(1) Provide validation aids prior to scheduled overhaul.

(2) Provide updated allowance lists.

(3) Provide supply aids for use during supply overhaul in the form of Supply Availability Cards (SAC) (NAVSUP Form 1109).

b. INTEGRATED LOGISTICS OVERHAUL (ILO) TEAM RESPONSIBILITY. From the SAC deck the ILO team will create supply documents in MILSTRIP format, i.e., partially completed requisitions for new adds and for depth increases (DD Form 1348(m), material release documents provided only to nonmechanized activities and header cards (DD Form 1486) for excesses and deletes. These documents are processed in accordance with paragraphs 2b and 2c above.

4. ASHORE SUPPLY AIDS. When new items are added to allowance lists, load lists, or supplementary maintenance lists, or upon request from a requiring activity, the inventory manager will provide supply aids in the form of reprinted stock record card inserts (NAVSUP Form 768T(IC)) to ashore activities.

02180 SECURITY ASSISTANCE PROGRAM

1. GENERAL. This section outlines the MILSTRIP procedures and responsibilities (followed by inventory managers and other Navy supply activities) in processing and preparing requisitions for Foreign Military Sales (FMS) and Grant Aid (GA) requirements under the Security Assistance Program (SAP). Two basic types of supply procedures are employed: The "push" system under which the SAP requirement is initiated in the U.S.; and the "pull" system under which the SAP requirement is initiated in the recipient country. Documents to be used for the various types of assistance and related supply procedures are shown in this chapter.

2. PULL SYSTEM, CUSTOMER ORIGINATED REQUISITIONS.

a. REQUISITION PREPARATION. The customer country will prepare and process FMS requisitions in the format prescribed by NAVSUP PUB 526. U.S. MAAGs/Missions will prepare and format Grant Aid requisitions as prescribed by NAVSUPINST 4900.34 (series).

b. REQUISITION PROCESSING. The initial recipient of all SAP "pull" requisitions is NAVICP-OF. NAVICP-OF records FMS and Grant Aid requisitions - transmitting them to the correct item manager.

c. INVENTORY MANAGER RESPONSIBILITIES. On receiving an SAP requisition, the inventory manager initiates supply or procurement action in accordance with NAVSUPINST 4900.34 (series). Referral order cards will be transmitted to stock points capable of filling requirements. Simultaneously, NAVICP-OF is provided a status card.

3. PUSH SYSTEM, PREPARATION OF REQUISITIONS. When major end items are provided to a participating country, provisions for the initial outfitting of spare and repair parts are generally included within the purchase or order for the end item. Based upon the specific application of the end item, the cognizant inventory control point develops the specific spare and repair parts requirements. When approved by the cognizant Systems Command, requisitions are prepared as follows:

a. ON BOARD SPARES (COSALS). The cognizant inventory control point will develop a listing of "On Board" allowance in the format of a Coordinated Shipboard Allowance List (COSAL). The COSAL will be provided to the Outfitting Support Activity (OSA). The OSA will prepare requisitions and process requisitions in accordance with FOSATINST 4444.1 (latest series); COSAL Requisition and Status Procedures (CRASP).

b. CONCURRENT (INITIAL) SPARE PARTS. The cognizant inventory control point will develop a listing of spare and repair part requirements, a copy of which will be provided to the customer country/MAAG. The format of the listing will be consistent with the application of the end item. Examples are Gross Requirements Lists (GRLs) and Coordinated Shore Maintenance Allowance Lists (COSMALs). The cognizant inventory control point will prepare skeletonized requisitions for all items in accordance with NAVSUPINST 4900.34 (latest series), and NAVICP-OF will complete the requisition format and enter the requisition into the Supply System. Upon receipt of the requisitions, the cognizant inventory manager will refer the requisition to a stock point for issue or initiate procurement. NAVICP-OF will be furnished a supply status card for all actions.

SECTION 7

02250 MASS OR UNIVERSAL CANCELLATION OF REQUISITIONS

1. GENERAL. Request for mass or universal cancellation of requisitions will be initiated by the Service headquarters, or by authorized command element. Interservice initiation of requests will be made by the focal points designated in column 1 to the designated focal points identified in column 2 of Figures 2-4a and 2-4b shown below. Prepare them in the format shown in Appendix 28. Here are the focal points for issuing and receiving requests:

SERVICE	ADDRESS AUTHORIZED TO ISSUE (Column 1)	ADDRESS AUTHORIZED TO RECEIVE (Column 2)
Army	Executive Director USAMC Logistics Support ATTN: AMXLS Redstone Arsenal, AL 35898-7466	(Same as Column 1)
	Commander U.S. Army Security Assistance New Cumberland Army Depot New Cumberland, PA 17070-5000	
Navy	Naval Inventory Control Point ATTN: Code 10112 5450 Carlise Pike Mechanicsburg, PA 17055-0788	(Same as Column 1)
Air Force	Commander HQ Air Force Material Command ATTN: AFMC/LGMI 4375 Chidlaw Road, Suite 6 Wright-Patterson AFB, OH 45433	(Same as Column 1)
Marine Corps	Commandant of the Marine Corps Headquarters, U.S. Marine Corps ATTN: LPS-1 Washington, DC 20380-0001	Commanding General Marine Corps Logistics Base ATTN: Code P820 Albany, GA 31704-5000
General Services Administration	Not applicable	General Services Administration Federal Supply Service ATTN: FCSI (CMB4, Room 702) Washington, DC 20406
Defense Nuclear Agency	Field Command Defense Nuclear ATTN: FCPNM Kirtland AFB, NM 87115-5000	(Same as Column 1)

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SERVICE	ADDRESS AUTHORIZED TO ISSUE (Column 1)	ADDRESS AUTHORIZED TO RECEIVE (Column 2)
Coast Guard	Commanding Officer U.S. Coast Guard Supply Center Baltimore (Code 330) Baltimore, MD 21226-1791	(Same as Column 1) U.S. Coast Guard, Supply Center Curtis Bay-Code 4330 2401 Hawkins Point Road Baltimore, MD 21226-1792 U.S. Coast Guard Aircraft Repair & Supply Center (Code 2110) Elizabeth City, NC 27909-5001
Defense Logistics Agency	Not applicable	Defense Logistics Agency Fort Belvoir, VA 22060
Military Traffic Management Command	Not applicable	Eastern Area Military Traffic Mgmt Command ATTN: MTE-ITD <u>Bayonne, NJ 07002-5000</u> Western Area Military Traffic Mgmt Command ATTN: MTW-ITX Oakland, CA 94626-5000
Military Airlift Command	Not applicable	MAC/TROC Scott AFB, IL 62225-5001
Defense Automated Addressing System	Not applicable	Defense Automatic Addressing System Center (DAASC) Wright-Patterson AFB, Ohio 45433

Mass and Universal Cancellation Contact Point List (Figure 2-4)

2. INITIATION OF REQUESTS. Intra-Service/Agency initiation of requests for mass or universal cancellations will be done by the Service/Agency focal point designated in column 2 above. Intra-Service/Agency receiving mass or universal requests will include all Service/Agency supply sources, storage sites, and other activities within the Service/Agency which process MILSTRIP documentation or shipments with capability to cancel requisitions or divert shipments. In addition, the designated Service focal points will ensure that the appropriate overseas theater, force, logistics, or type commanders are aware of mass or universal cancellation actions affecting their areas of responsibility.

3. WHEN TO USE MASS OR UNIVERSAL CANCELLATIONS. Events such as base closures, termination of special projects, ship and unit inactivations, termination of agreements, termination of vessel outfitting or construction can make it necessary to initiate a mass or universal cancellation.

a. Although these events may require cancellation action, they are normally known to the affected activities well in advance of the effective date. Every effort will be made by the requisitioning activity to minimize the continued processing of requisitions by supply sources and entry of unwanted shipments into the Defense Transportation System (DTS). Initiation of single line cancellations (see paragraph 04165) will be done at the earliest opportunity.

b. When it is known that insufficient time remains to permit continued cancellation on a single line basis, a mass cancellation or universal cancellation may be requested.

(1) A mass cancellation permits continued document and shipment processing for selected requisitions.

(2) A universal cancellation serves to terminate all such processing, even requisitions previously identified for continued document and shipment processing under mass cancellation situations.

(3) Normally, the request will specify either mass or universal cancellation but, under extreme conditions, a mass cancellation may be superseded by a universal cancellation.

c. Requisitions for which continued document and shipment processing will be requested under mass cancellation situations will be indicated by the requiring activity at the earliest date through submission of document modifiers (DI AM_) containing an expedited handling signal 555 in the RDD data field, rp 62-64.

(1) After the effective date of the requested mass cancellation, the RDD may not be changed to "555" by means of a DI AM_ document; however, modifiers submitted to change other data elements when the "555" RDD has been previously entered must perpetuate the expedited handling signal.

(2) Requisitions, which fall within the scope of the announced mass cancellation criteria (submitted after the effective date of the mass cancellation action) will contain the expedited handling signal 555 in the RDD field, rp 62-64.

(3) Requisitions containing or modified to contain 555 in the RDD data field will receive processing precedence in accordance with paragraph 04130.1

d. When a universal cancellation is initiated to supersede a mass cancellation and there are outstanding requisitions containing or modified to contain 555 in the RDD data field, supply sources will provide DI AC7/ACM transactions to storage and procurement activities for all outstanding requisitions, regardless of the 555.

4. IDENTIFICATION BY PROJECT CODE. Requests for mass or universal cancellation action will be submitted to the Service/Agency designated focal point(s) by message (paragraph 02270) for cancellation of all open requisitions applicable to specific projects, or bases (as identified by activity address codes). The request for mass or universal cancellations will contain identification of the activity having submitted the request, the effective date, the desired transportation diversion precedence, and the required codes for identification of one of the following, for which cancellation of all applicable requisitions is requested:

- a. Project code and "ship to" address (Requisitioner, rp 30-35 or Supplementary Address, rp 45-50).
- b. No project code - "ship to" address (Requisitioner, rp 30-35 or Supplementary Address, rp 45-50).
- c. One project code and various addresses.
- d. No project code - various addresses.
- e. Various project codes and one address.
- f. Federal Supply Class, Group, Stock Number, or Part Number when associated with the address of the original requisition document number "ship to" address and/or project code.

5. SPECIAL INSTRUCTIONS. It is recognized that a need may exist to continue processing of certain requisitions and shipments during mass cancellations, such as high priority demands to satisfy NMCS conditions (identified by 9, E, or N in rp 62 of the requisition). In addition, it is recognized that a need may exist to allow continued processing on requisitions for material required to effect base closure. In these instances, the mass cancellation request will specify, in the "special instructions" segment, one of the following selective criteria:

- a. Project code(s) when associated with the "ship to" address (Requisitioner, rp 30-35 or Supplementary Address, rp 45-50) being canceled.
- b. NMCS RDD entry (rp 62-64) when associated with the "ship to" address (Requisitioner, rp 30-35 or Supplementary Address, rp 45-50) being canceled.
- c. Federal Supply Class, Group, National Stock Number or Part Number when associated with the "ship to" address (Requisitioner, rp 30-35 or Supplementary Address, rp 45-50) being canceled.
- d. Specific requisition document number(s) and RIC from last status document received or the RIC to which the requisition had been transmitted if status has not been received.
- e. Specific Issue Priority Designator when associated with the "ship to" address (Requisitioner, rp 30-35 or Supplementary Address, rp 45-50) being canceled.

6. ACTION UPON RECEIPT OF CANCELLATION. Upon implementation of the mass cancellation message, sources of supply and storage activities will review all prospective cancellations to identify those for which continued processing has been requested. In the case of items scheduled for direct delivery, the source of supply will forward DI AMP requisition modifier documents to procurement sources. Supply sources, storage activities, and procurement sources will annotate the affected requisitions and all associated documents/records with an expedited handling signal 555 in the RDD data field.
7. The Defense Transportation System (DTS) will continue movement of material to which an RDD of 555 has been applied except when a universal cancellation has been announced.
8. When oversea shipments have already departed from CONUS ports, the responsibility for diversion or disposition is that of the consignee or the appropriate theater, force, logistics, or type commander. Notice to the latter will be the transportation lift data provided by the DTS clearance authority. (See also paragraph 02260.4).
9. No attempt will be made to divert material destined to CONUS customer activities beyond the point of shipment.
10. All shipping Services and Agencies will designate storage points within their distribution system to receive shipments redirected as a result of mass or universal cancellation. Fund citations for GBL preparation will also be provided. These designated points and fund citations will be provided to MAC, MTMC, or theater commanders and will serve as predesignated consignees for any announced mass or universal cancellation. If more than one storage point is designated, instructions will be furnished to specify (geographically) the storage point designation in relation to each range of water and aerial ports (i.e., West, Gulf and East Coasts). In addition, canceling Services/Agencies will designate a contact point(s) to provide disposition instructions on material which does not meet the automatic diversion conditions specified in paragraph 02260. Designated contact points will provide requested disposition instructions to DTS within 24 hours on material located at air terminals and within 48 hours on material located at water terminals.
11. Customers retain the authority to submit single line cancellation requests (DI AC1, 2, 3) at any time before, during, or after the effective date of the mass cancellation.

02255 PROCESSING MASS OR UNIVERSAL CANCELLATION REQUESTS

1. GENERAL. Supply sources are responsible for assuring that requisition processing, procurement, and storage activities exercise the fullest practical resourcefulness in preventing the issue and shipment of unwanted material. The practical considerations involved in the processing of cancellations include such factors as time, packing and handling, related costs, and the location of material for which cancellation is requested.

2. BACKGROUND. Supply sources receiving mass or universal cancellation requests will cancel all requisitions dated on or prior to the effective date announced in the mass or universal cancellation requests where Material Release Orders (MROs), DD Form 1348-1A, or purchase requests have not been submitted to storage or procurement activities. Notice of completed cancellations will be provided by BQ or B4 supply status (DI AE_), as appropriate, and transmitted to all eligible recipients of status within the timeframe for furnishing status.

3. SUPPLY STATUS-CANCELLATION IN PROCESS. Supply sources will furnish supply status (DI AE_) containing Status Code B9 to all eligible recipients within the time frame for furnishing status for:

a. Unconfirmed requisition documents, 1348-1A and DI ACMs.

b. Shipment confirmations (Material Release Confirmations or MRCs) which indicate that shipment to overseas activities has been completed within 45 days of the effective date of the mass or universal cancellation.

4. SUPPLY STATUS-CANCELLATION - COMPLETED & NOT COMPLETED. Subsequent notice of cancellation or diversions actually completed as a result of mass or universal cancellation will be in the format of supply status (DI AE_) containing Status Code BQ, B4, or B6 for each line item canceled/diverted. Supply status (DI AE_) containing Status Code B8 will be furnished to all eligible recipients for each line item not canceled or diverted.

5. SUPPLY SOURCE ACTION. Supply sources will provide storage and procurement activities with cancellation requests (DIs AC6/ACP for mass cancellations and DIs AC7/ACM for universal cancellations) for all unconfirmed MROs, purchase requests, and MRCs which indicate that shipment to overseas activities has been made within 45 days of the effective date of the mass or universal cancellation. The DI AC7/ACM will be prepared in the same format as the DI AC6/ACP documents. DI AC6/ACP/AC7/ACM are mandatory when MROs/purchase requests have been issued to another Service/Agency.

6. Supply source will not provide storage and procurement activities with cancellation requests when:

a. In receipt of MRCs which indicate that shipment has been completed by parcel post.

b. In receipt of MRCs which indicate that shipment to CONUS activities has been completed.

c. In receipt of MRCs which indicate that shipment to overseas customers was completed more than 45 days prior to the receipt of the mass or universal cancellation request.

7. STORAGE ACTIVITY ACTION. The following rules apply to mass or universal cancellation of shipments from storage:

a. Upon receipt of the mass or universal cancellation request(s), and pending the receipt of single line cancellation request(s) (DI AC7) from the supply source, the storage activity will identify all affected MROs where the items haven't been released to carrier for delivery.

(1) For mass cancellation, the storage activity will not suspend processing of MROs identified for continued processing.

(2) For universal cancellation, the storage activity will suspend further processing of all MROs, including any containing an RDD 555.

b. For those overseas shipments which meet the mass or universal cancellation criteria and which have entered the DTS within 45 days of the date of the mass or universal cancellation message, the storage activity will generate a shipment status document (DI AU7) to the Defense Automatic Addressing System (DAAS). The DI AU7 will be prepared in the same format as the DI AU1 document.

c. Storage activities will accomplish cancellation for all items for which single line cancellation requests are received from the supply source and the items have not been released to a carrier for delivery to the consignee.

d. Storage activities will advise the supply source of their actions in response to cancellation requests. When the shipment has not been released to a carrier for delivery to the consignee and cancellation is completed, advice to the supply source will be prepared in the same format as the cancellation request, with the exception that rp 4-6 will contain the RIC of the supply source to which the document will be transmitted and rp 67-69 will contain the RIC of the activity preparing the transaction. The transaction will contain DI AG6.

e. When storage activities do not accomplish cancellation, the supply source will be furnished supply status DI AE6, reflecting Status Code B8.

f. Storage activities in receipt of transportation confirmation of shipment diversion documents will generate to the appropriate source of supply a DI AG6 for each requisition contained within the shipment unit. The DI AG6 in this instance will contain, in addition to the normal data elements, the DODAAC of the new consignee in rp 45-50.

g. Storage activities in receipt of transportation denial of shipment diversion transactions will generate to the appropriate source of supply a DI AU_. This document will be prepared in accordance with Appendix 28.

8. CANCELLATION OF SHIPMENTS FROM PROCUREMENT. All rules governing the single line cancellation of shipments from procurement also apply to requests for mass or universal cancellation, except as modified below:

a. The supply source will initiate cancellation requests (DI ACP/ACM) for all items scheduled for direct delivery and for which purchase requests have been submitted, regardless of material costs, unless continued processing has been requested in accordance with paragraph 02250.5.

(1) For mass cancellation, cancellation will not be requested for requisitions annotated with an RDD of 555.

(2) For universal cancellation, cancellation will be requested regardless of the entry in the RDD.

b. Procurement activities will not initiate actions with DTS to cause diversion of shipments at terminals.

c. For those overseas shipments which have entered the DTS within 45 days of the date of the mass or universal cancellation message, or from the date of receipt of the DI ACP/ACM from the source of supply, the procurement activity will generate a shipment status document (DI AU7) to the DAAS. The DI AU7 will be prepared in the same format as the DI AU1 document.

d. Procurement activities in receipt of confirmation of shipment diversion transactions will generate to the appropriate source of supply a DI AG6 for each requisition contained within the shipment unit. The DI AG6 (in this instance) will be prepared from the data available in the original DI ACP/ACM, or purchase request, except that it will contain the DI AG6 and indicate in rp 45-50 the DODAAC of the new consignee.

e. Procurement activities receiving a denial of shipment diversion transaction will generate a DI AU_ to the appropriate source of supply. Use Appendix 28 to prepare this document.

02260 DISPOSITION OF FRUSTRATED SHIPMENTS/MATERIAL

1. WHERE TO DIVERT THEM. The disposition of frustrated shipments at Water/Aerial Point Of Embarkation (WPOE/APOE) which result from mass or universal cancellation actions follow:

a. Shipments from DoD storage points, or from commercial vendors acting under the direction of DoD procuring activity, will be diverted to the predesignated storage sites of the shipping/procuring Service/Agency.

b. Shipments from GSA, or from commercial vendors acting under the direction of a GSA procuring activity, are diverted to predesignated GSA material returns activities.

c. DTS attempts to divert/frustrate shipments will terminate 45 days from the effective date of the mass or universal cancellation message.

2. POLITICAL VS ECONOMIC CONSIDERATIONS. Certain strategic and tactical operations or political considerations may dictate stopping shipments to a particular consignee. In the most restrictive of shipment diversions - economics is not the controlling factor. However, most of the time strategic, tactical, or political environments still allow for economic considerations to be considered, i.e., the comparison of accessorial costs of stopping, holding, and returning the material to depots/storage activities vs the value of the canceled material and the costs of the receiving activity to perform the necessary processing or reprocessing of the material. Diversion is only permitted, if the material being shipped can be identified and located by TCN.

a. NON-CONSOLIDATED SHIPMENT UNITS. Shipment units - eligible for cancellation that have not been consolidated into a container with other shipments - will be stopped and diverted by the POE up to the point of lift. Diversion of cancellation eligible shipments at or beyond the POD is the appropriate theater's responsibility force, logistics, or type commander.

b. CONSOLIDATED MULTIPLE SHIPMENT UNITS. Individual line items will not be removed from Multiple Line Shipment Units (consolidated packs), nor will a shipment unit container be removed from a multi container shipment (SEAVAN) type device. Shipment units cannot be diverted in the DTS if stuffed or loaded with other shipment units or on multiple shipment unit devices such as SEAVANS, CONEX, MILVANS, AIRCRAFT PALLETS, etc.

3. CANCELLATION BASED ON ITEM CHARACTERISTICS. For those mass or universal cancellation requests which specify Federal Supply Class, Federal Stock Group, Stock Number, or part number data, the DTS will stop and frustrate, for Service review, all shipments of the canceling Service for the affected consignee(s). Disposition of cancel-eligible shipments at or beyond the POD will be the responsibility of the appropriate theater, force, logistics, or type commander.

4. DTS ACTION. The DTS will generate specified documentation for the following categories of shipments:

a. For all shipments which are diverted, as a result of mass or universal cancellation, the DTS will generate a confirmation of shipment diversion document to the DAAS. The confirmation of shipment diversion will contain complete TCMD data for each shipment unit and, if available, the contract number. In addition:

(1) For shipments which are diverted in accordance with prepositioned instructions, the DTS will generate MILSTAMP transactions to the new consignee.

(2) For shipment unit(s) which are frustrated under paragraph 02260.2a or 02260.2b above, the DTS will generate a request for disposition instructions to the DAAS, which will route the document(s) to the appropriate Service/Agency contact point(s). In situations where the designated Service/Agency contact point(s) is a collocated liaison office, the request for disposition instruction documents will be listed and provided the contact point(s) direct. After receipt of disposition instructions for such frustrated shipments, the DTS will prepare appropriate MILSTAMP transactions for the new consignee.

(3) For shipments intransit to, at or between the POD and the overseas consignee, the overseas DTS activity will request disposition instructions from the appropriate theater, force, logistics, or type commander's designated contact point(s).

b. For shipments which have been intransit between the WPOE/APOE and the overseas consignee less than 30 days, the DTS will:

(1) Generate a listing of the manifest shipment unit data, vessel/aircraft identification, and departure date, WPOD/APOD, and ETA. This listing will be distributed to the affected overseas command component, the appropriate WPOD/APOD and to the designated contact point, if requested.

(2) Generate denial of shipment diversion documents for each individual shipment unit(s) to the DAAS.

5. RECEIPT OF DIVERTED SHIPMENTS. Storage sites in receipt of diverted shipments will report the receipt to the appropriate source of supply in accordance with DoD 4000.25-2-M (MILSTRAP). Reconsignment/disposition will be as directed.

6. CHARGES AND CREDIT. The Service/Agency initiating the cancellation requests applicable to U.S. Forces requisitions will be charged with (1) transportation and terminal costs associated with holding, stopping, and returning material to depots/storage and (2) procurement termination costs when it is determined that termination is in the best interest of the Government, (3) excess transportation costs that may be incurred when moving the cargo unaffected by the mass or universal cancellation action. Specific instructions concerning material transportation charges and credit allowances are contained in the DoD Directives 7420.13-R and Federal Management Regulations 101-26.311 and 101-27.505.

02265 DAAS PROCESSING OF MASS OR UNIVERSAL CANCELLATION DOCUMENTS

1. TRANSPORTATION TO SUPPLY DOCUMENTATION CORRELATION FILE. Upon receipt of the mass or universal cancellation message, the DAAS will begin the establishment of a Transportation to Supply Documentation Correlation (TSDC) file. As the shipment status (DI AU7) transactions are received from the storage activities, they will be entered into the TSDC file.

2. CONFIRMATION OF SHIPMENT DIVERSION. When confirmation of shipment diversion is received from the DTS, the DAAS matches the Transportation Control Number (TCN) with the TCN in all DI AU7 documents in the TSDC file. The DAAS generates a DI AE9 with Supply Status Code B6 for each DI AU7 matched to the source of supply indicated by the RIC in rp 4-6 of the DI AU7. Therefore the AE9 will contain the new consignee's DODAAC in rp 45-50.

3. DENIAL OF SHIPMENT DIVERSION. When a denial of shipment diversion document is received from the DTS, the DAAS will match the TCN with the TCN in all applicable DI AU7 documents in the TSDC file. The DAAS will generate a DI AE9 with Supply Status Code B8 for each DI AU7 matched to the source of supply indicated by the RIC in rp 4-6 of the DI AU7.

4. REQUEST FOR DISPOSITION. When a request for disposition instruction documents is received from the DTS, the DAAS will match the TCN with the TCN in all applicable DI AU7 documents in the TSDC file. The DAAS will generate a narrative message to the designated canceling Service contact point and provide it with the TCMD document data, plus all supporting DI AU7 documents which comprise the shipment.

5. NO RESPONSE AFTER 21 DAYS. For those DI AU7 documents (on which confirmation/denial of shipment diversion or request for disposition instruction documents are not received within 21 days of the date of the mass or universal cancellation message), the DAAS will initiate a Shipment Tracer action in accordance with DoD 4500.32-R (MILSTRIP) to the POE indicated in rp 78-80 of the DI AU7.

6. RESPONSE RECEIVED BUT NO CORRESPONDING RECORD. When a confirmation/denial of diversion or request for disposition instruction transaction is received from the transportation clearance authorities, and the DAAS does not find a corresponding DI AU7 record within the TSDC file, the DAAS will forward the transaction to the shipping activity identified in the transportation mass or universal cancellation status documents.

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02270 MASS OR UNIVERSAL CANCELLATION MESSAGE -- (See Figure 2-5 shown below.)

FM: (ENTER NAME OF REQUESTOR)

TO: (ENTER DESIGNATED SERVICE/AGENCY FOCAL POINTS)

SUBJ: MASS OR UNIVERSAL CANCELLATION

1. REQUESTED BY: (ENTER OFFICE SYMBOL OF REQUESTOR - FROM)
2. CONSIGNEE: (ENTER "N/A" OR DoDACC(S) TO BE CANCELLED)
3. EFFECTIVE DATE: (ENTER JULIAN DATE THAT CANCELLATION ACTION IS TO BE IMPLEMENTED)
4. PRIORITY DESIGNATOR: (ENTER "N/A" OR IPD(S) TO BE CANCELLED)
5. FSC, FSG, NSN, P/N: (ENTER "N/A" OR FSC, FSG, NSN, P/N(S) TO BE CANCELLED)
6. PROJECT CODE(S): (ENTER "N/A" OR PROJECT CODE(S) TO BE CANCELLED)
7. SPECIAL INSTRUCTIONS: (ENTER "N/A" OR APPLICABLE ENTRY FROM PARAGRAPH 02250.5 FOR MASS CANCELLATION; ENTER "NONE" FOR UNIVERSAL CANCELLATION)

NOTE: ALL PARAGRAPH HEADINGS ARE MANDATORY ENTRIES. DODAAC(s) IS A MANDATORY ENTRY IN PARAGRAPH 2 WHEN DATA IS ENTERED IN PARAGRAPH 4 OR 5.

SECTION 8**02300 CRITICAL ITEMS**

1. GENERAL. The responsibilities and procedures concerning the requisitioning, issue, and reporting of critical items are in inventory manager instructions. However, certain standard procedures are required to properly control these essential items at the stock point level.
2. DEFINITIONS. As defined in NAVSO P-1500, a critical item is an item which meets these following conditions:
 - a. Exhausting item stock will seriously impair the operational readiness of ship, aircraft, or shore establishment operations; and/or ship or aircraft conversion, alteration, construction, repair, and overhaul programs.
 - b. The item's asset status is so low indicating that we'll run out prior to delivery of outstanding contracts.
3. INVENTORY MANAGER RESPONSIBILITIES. Regardless of whether or not an inventory manager prepares special "Critical Item Lists," when an inventory manager determines that an item should be designated critical, a Change Notice Card (NAVSUP Form 796) will be promulgated to all reporting stock points. DI BNZ will be entered in rp 1-3 and Phrase Code 5 (indicating an establishment of a restriction) will be entered in rp 32. The remainder of the card will be completed in accordance with Appendix 28. The establishment of the restriction code will cause all requisitions meeting the criteria to be forwarded to the inventory manager. Therefore, the inventory manager will:
 - a. Take immediate action to procure, expedite, or consign/reconsign material to bring stocks up to normal operating levels.
 - b. Hold all unfilled requirements at the inventory manager level and exercise rationing control in accordance with sound management practices.
 - c. Release requisitions held at the inventory manager level in accordance with the Uniform Material Movement and Issue Priority System (UMMIPS) upon receipt of material into the reporting system.
4. STOCK POINT RESPONSIBILITIES. Upon receipt of a Change Notice Card bearing an issue restriction code, take immediate action to ensure that no further issues (not meeting the criteria of the coding) are made; but that all such requests are expeditiously forwarded to the inventory manager in accordance with the rules for construction of referral orders. In addition, the stock point will initiate action to ensure the return of critical items from retail outlets such as shop stores, pre-expended bins, ready supply stores, etc.
5. FLEET CONTROLLED MATERIAL. Items designated as critical by the inventory manager may also be added to Fleet Controlled Material lists by Fleet commanders. In those instances, the procedures prescribed for the items by the Fleet commanders prevails.

SECTION 9**02400 CHANGE NOTICE CARDS****1. CONCEPT.**

a. **GENERAL.** Each Navy interest item of supply has various characteristics which must be considered during procurement, receipt, storage, requisitioning, issue, and disposal of the item. Those characteristics are uniformly codified, for ease in processing as catalog and management data elements, and are recorded in the Navy Management Data File (NMDF) maintained by the Fleet Material Support Office (FMSO). The same management data elements also appear in the Management List-Navy (ML-N), which is prepared and distributed by the Defense Logistics Services Center (DLSC). With certain exceptions based on local option or practice, these are also the same data elements which appear in the stock records of Navy activities.

b. **MEDIUM.** Change Notice Cards (CNC) in punch card format, or the Automated Data Processing (ADP) magnetic tape image of that card format, are the media used by Navy Inventory Managers to provide catalog and management data changes to FMSO for NMDF update and inclusion in the ML-N, and for update of the DLSC Catalog Management Data (CMD) segment of the Transaction Item Record (TIR). Navy interest items which are managed by another Military Service, Defense Logistics Agency, or the General Services Administration also appear in the NMDF and ML-N. The catalog and management data changes for these items are sent to DLSC where they are validated in accordance with the Defense Integrated Data System (DIDS) procedures then provided to FMSO as CMD approximately 45 days before the effective date for distribution within the Navy.

c. **FMSO ACTION.** Upon receipt, the above changes are validated by FMSO to ensure conformance to prescribed data element conventions, prior to updating of the NMDF. Subsequently, FMSO reproduces the changes as Navy Change Notice Cards (or magnetic tape images of the CNC) and distributes the CNC to those Navy activities that use automated facilities and procedures for maintenance of their stock record data. Distribution of change notices on cards is tailored by FMSO through the Master Tailored Interest File to include only those stock numbers of interest to the recipient activity. Distribution of change notices on magnetic tape is not tailored and the recipient activity receives the entire range of CNC.

2. RESPONSIBILITIES.

a. **INVENTORY MANAGERS.** Navy inventory managers will transmit catalog and management data changes for their items to FMSO (Fleet Material Support Office) in the CNC format prescribed in Appendix 28, DI BN_. In addition, DI BN_ specifies certain conventions which apply to the preparation of CNC and the assignment of the change codes defined in Appendix 13. All change notice actions must be sent to FMSO no later than 65 days before the effective date and all effective dates must be the first day of the month. Inventory managers will establish the necessary controls to ensure preparation of CNC in accordance with the above since these formats and conventions are the basis of centralized validation routines at FMSO and the CNC processing routines at CNC recipient activities.

b. FLEET MATERIAL SUPPORT OFFICE (FMSO).

(1) Performs central validation of catalog and management data changes in CNCs received from Navy inventory managers and in the Catalog Management Data (CMD) cards received from integrated inventory managers. CNC from Navy inventory managers will be validated as displayed in Appendix 28, DI BN__.

(2) Updates the Navy Management Data File (NMDF).

(3) Provides CMD transactions to DLSC for Navy managed items no later than 45 days prior to the effective date for TIR update on affected items. DLSC uses the approved CMD actions to prepare the ML-N for Navy.

(4) Distributes the above validated catalog and management data changes on CNC (card or magnetic tape) to designated Navy CNC recipients. CNC will be distributed sufficiently in advance to reach the recipient a minimum of ten (10) days in advance of their effective date. CNC distributed on cards will be tailored to ensure that the card deck contains only the CNC for items of interest to the CNC recipient.

(5) Reconcile CNC errors detected during the above CNC validation processing with the submitting Navy inventory manager.

c. CHANGE NOTICE CARD RECIPIENT. All Navy activities receiving CNC (cards or tape) from FMSO will process the Change Notice no later than 48 hours after the effective date appearing therein. Specific instructions pertaining to the processing of individual Change Notice Codes are prescribed in paragraph 02400.3b.

3. BACKGROUND. The object of a Change Notice code is to indicate a data element which relates to an item of supply and to signify a specific change which must be made on records which contain that data element. The objective of a change notice action using that Change Notice code is to uniformly change the data element involved in all records as of the effective date assigned to the change notice action. Those objectives, therefore, dictate that the item management situations under which the change code is assigned by an inventory manager, and the actions to be taken by the Change Notice recipient (i.e., FMSO and Navy stock points), must be mutually understood and observed. Accordingly, each authorized Change Notice code is listed in paragraph 02400.3b below with instructions for both the inventory manager and recipient activities. When applicable, separate instructions are shown for the several recipient activities (i.e., FMSO, concerned with NMDF and ML-N actions and CNC distribution; stock points, concerned with storage and issue of material and user activities, concerned with requisition and turn-in instructions for the material). The actions listed are not intended to represent each action which must be taken but are those for which it is intended that a specific action must occur.

a. GENERAL INSTRUCTIONS. The change notice actions described below are, in their broadest sense, either establishment, change, or deleting type actions. The specific instructions in paragraph 02400.3b are, therefore, intended to ensure that the actions involved are completed in that context. For example: in issuing an item establishment action (Change Notice Code NO), the inventory manager must include all required data elements in the CNC as displayed in Appendix 28, DI BN__ format.

b. SPECIFIC INSTRUCTIONS.

(1) The Appendix 28, DI BN_ format summarizes CNC conventions which inventory managers must observe for each data element in relation to the Change Code involved in preparing CNC. FMSO validation of CNC will be based on those conventions and CNC recipient activities should construct CNC processing routines based on those same conventions. Change Notice Codes are defined in Appendix 13.

SECTION 10

02500 STOCK ACTION/TECHNICAL INFORMATION

1. GENERAL. The Stock Action/Technical Information Card is designed to provide a method for electrical transmission of common repetitive stock action and technical information which normally require mail or telegraphic correspondence. This technique has the advantage of being able to transmit this type of supply information through normal supply operation channels rather than through the normal correspondence channels.

a. The Stock Action/Technical Information Card has no provisions for showing a priority or sequence of action. It is expected that reaction time will be based upon the type of action required rather than priority.

b. The Stock/Technical Information Card shall be treated in the same category as correspondence and will be accepted as a final authority document for all actions required.

c. The use of this card is not mandatory, but is strongly recommended for repetitive action. The accomplishment of required action is mandatory for all activities.

d. The format of the Stock Action/Technical Information, DI BA4, is found in Appendix 28. The Stock Action/Technical Information Codes are found in Appendix 26.

2. INVENTORY MANAGER RESPONSIBILITIES.

a. If you need to provide stock points with specific information, and it's not covered by the change notice procedure (or a need exists to obtain specific data) the inventory manager may prepare and transmit a Stock Action/Technical Information Card to the stock point.

b. The inventory manager will accept similar inquiries from the stock point by means of the Stock Action/Technical Information Card and provide replies.

3. STOCK POINT RESPONSIBILITIES.

a. Stock points may use the Stock Action/Technical Information Card to request appropriate information from any Navy inventory manager.

b. The Stock Action/Technical Information Card will be accepted by the stock point as final authority for any action requested or provided by the inventory manager.

SECTION 11**02600 TRANSACTION ITEM/ASSET STATUS REPORTING PROCEDURES**

1. GENERAL. Inventory managers maintain control of system stocks through the medium of transaction item and/or asset status reports forwarded by the stock points. Three types of reports are furnished by stock points to inventory managers.

a. TRANSACTION ITEM REPORT (TIR). A coded description of any supply action which affects the on-hand balance of an item. TIRs are identified by a document identifier in the D series and are submitted daily as transactions occur. The information used for the TIR is reproduced from the original supply document. Guidelines and procedures for reporting ammunition asset and expenditure data via TIR method are contained in NAVICP MECH Instruction P8010.12.

b. ASSET STATUS CARD (ASC). A consolidated report of all supply actions processed against a specific stock number during an established period of time. For activities on daily transaction reporting, the ASC will be submitted at the close of the day shift after record update. Activities under cyclic reporting will submit ASCs in accordance with the schedule(s) provided by the inventory manager. Format is displayed in Appendix 28. Asset Status Cards should not be submitted to inventory managers based on Processing of Change Notice Cards directing cognizance transfers. A blank EAM Card will be used for ASCs. It is incumbent upon the inventory manager to adjust his records on the effective date of the transfer.

c. AMMUNITION TRANSACTION REPORTING (ATR). High cost and limited assets requires continuous and accurate reporting and management of all available Navy-owned ammunition assets. This can be done only if asset and expenditure data information forwarded to CAIMS is accurate and timely. NAVICP MECH Instruction P8010.12 provides detail instructions and guidelines for reporting ammunition asset and expenditure data to CAIMS. ATR data, when combined with data submitted by Transaction Item Reporting (TIR), is used in the preparation on nonnuclear ordnance reports and other information used by inventory managers, Type Commanders, Fleet Logistics Agents, and higher echelons of command involved in the procurement, renovation, repair, and allocation of ammunition assets. All ammunition or other material assigned a National Stock Number (NSN) or NALC with a cognizance symbol of OT (as designated by FLTCINC), 2D, 2E, 2T, 4E, 4T, 6T, 8E, 8S, 8T or 8U are reportable. This includes sono - buoys and selected nonnuclear ordnance components associated with nuclear weapons (the data submitted for those items via ATR do not replace data requirements by other reporting systems). Any action, event or procedure that results in the receipt, issue, transfer, expenditure, loss, gain, reconfiguration, or change in material condition of reportable material is required to be reported via ATR. NALC items incorporated as part of a nuclear all-up round are not reported via an ATR. ATRs will be submitted by naval message to NAVICP MECH on OCR forms or will be transmitted after being produced on the Message Processing and Distribution System (MPDS). Exceptions for those units/activities not having access to military communications will be granted. Commercial contractors, when required by contract, will also use ATR procedures.

2. INVENTORY MANAGER RESPONSIBILITIES.

a. Upon receipt of daily transaction reports, the inventory manager will:

- (1) Update the central inventory record.
- (2) Record the appropriate adjustment transactions.
- (3) Compile demand history for stock points from TIRs.
- (4) Return transaction errors (which are rejected from machine processing because of missing or erroneous data) to the submitting stock point for correction and resubmission.
- (5) Forward to transaction record error cards to stock points when it is detected during TIR processing that their records require updating.

b. Upon receipt of ASCs, the inventory manager will:

- (1) For activities under daily transaction reporting, reconcile ASCs with inventory balance calculated from TIRs. Reconcile differences in accordance with internal processing procedures.
- (2) For activities under cyclic reporting, inventory managers will use the ASCs to reconcile inventory manager's records and initiate replenishment action.

c. Upon receipt of an A4_ from an activity with an existing on-hand balance on the ICP records, the ICP balance will be reduced to zero if the value of the on-hand quantity is less than \$200. If the value of the activity on-hand quantity is equal/greater than \$200, that ICP will provide a "freeze" procedure to prevent future selection as a consignor. An on-hand reconciliation request document will be forwarded to the applicable stock point for reconciliation action on the discrepant quantity. The format is displayed in Appendix 28.

3. STOCK POINT RESPONSIBILITIES.

a. ITEMS SUBJECT TO DAILY TRANSACTION ITEM REPORTS (TIR).

(1) Submit individual detailed TIRs in the format for each change to the affected On-Hand Stock Balance Record. Only D4, D6, D7, D8 and D9 Series reports will be submitted. TIRs will be transceived when facilities are available. If unavailable, the media providing the most expeditious delivery to the inventory manager is used.

(2) Submit an Asset Status Card with the transaction items reports, showing the closing balance. An Asset Status Card must also be submitted whenever an inventory manager Referral Order/ Redistribution Order is rejected as an A4_ document. This will be done for ready-for-issue and not-ready-for-issue assets. Asset Status Cards are also required when completing a physical inventory regardless of whether an adjustment. A separate Asset Status Card is required for each stock record addressed (i.e., each combination of Purpose or Condition Code for which a separate stock record card is maintained). Asset Status Cards aren't submitted for stock records which have not experienced a change - except when an inventory manager Referral Order/Redistribution Order is rejected as an A4_ document. (rejections are identified by the A4_ DI with RP/RQ Status Code.) (Asset Status Cards will be requested when ICP records indicate an on-hand dollar value in excess of \$200.)

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(3) Submit a "negative" report to the cognizant inventory manager when no transactions affecting items under that inventory manager's control have been processed. This report may be by transceiver header card, letter or local form. The report is in Appendix 28.

(4) Whenever a centrally managed item is deleted from the Master Stock Item Record, submit an Asset Balance Card (DZA) to the inventory manager indicating zero on hand in all purpose/condition codes.

NOTE: Daily transactions should be interpreted to mean at least every 24 hours. The actual cut-off time is determined by the time of the ICP's TIR processing.

b. Items Subject to Cyclic Reporting. Submit Asset Status Cards to the cognizance inventory manager in accordance with established schedules.

02605 INTERSERVICE/AGENCY LOCATION AUDIT RECONCILIATION

1. GENERAL.

a. BACKGROUND. Department of Defense procedures require that a location audit reconciliation will be conducted no less than once each fiscal year and as soon as possible after completion of location survey. These procedures are applicable when items are stored by one service/agency for another DoD component which manages and accounts for the items.

b. DLA ITEMS. On the first Tuesday of May, those activities, other than NSC Norfolk and NSC Oakland, stocking material under Cognizance Symbols AX, CY, CX, KX, KY, KZ, or TX will prepare Location Audit Reconciliation Request documents for each NSN with a positive on-hand balance, by condition, in the stock record files. These documents will be identified by DI DZH and prepared in the format shown in Appendix 28. The reconciliation transaction will be transmitted not later than the 15th day of May to the Defense Supply Center (DSC) that is accountable for the item. Prior to transmitting the DZH documents, the DSC will be advised as to the total number of documents being forwarded.

NOTE: Due to magnitude of DLA items at NSCs Norfolk and Oakland, the reconciliation schedule at these locations will be mutually agreed to by DLA and Navy.

c. ARMY/AIR FORCE/MARINE CORPS ITEMS. On the first Tuesday of September, activities stocking material under Cognizance Symbols AJ, BD, BF, CL, CM, CT, CU, PA, SE, SJ, SP, SU, SX, TA or TG will prepare Location Audit Reconciliation Request documents for each NSN with a positive on-hand balance, by condition, in the stock record files. These documents will be identified by DI DZH and prepared in the format shown in Appendix 28. The reconciliation transaction will be transmitted not later than the 15th day of September to the inventory manager that is accountable for the item. Prior to transmission of the DZH documents, the intended recipient will be advised as to the total number of documents being forwarded.

d. Recipients of the reconciliation requests will effect comparison with the item records. When discrepancies exist, the appropriate documents will be prepared in the format displayed in Appendix 28 and transmitted to the storage activity as follows:

- (1) Transaction Reject Card.
- (2) Storage Item Data Correction Card.
- (3) Request a Special Inventory.

e. FOR NAVY INVENTORY MANAGERS. Other Service/Agency storage activities stocking Navy owned material will transmit their DZH Location Audit Reconciliation Request documents to the appropriate Navy inventory manager between 1 September and 15 September each year. Prior to transmission of the DZH documents, the other Service/Agency storage points will tell Navy inventory managers the total number of documents forwarded. The procedures contained in paragraph 1.d. also apply to Navy inventory managers.

02610 REJECTION OF TRANSACTIONS

1. GENERAL. MILSTRAP transactions are edited by the receiving ICP prior to updating inventory and financial records. During this edit, errors may be found which prevent further processing and make it necessary to return the transactions for correction and resubmission.

2. REJECTED TRANSACTIONS. Returned transactions will be prepared in the format shown in Appendix 28 and identified by DI DZG. Activities in receipt of DZG reject transactions will take such actions as indicated by the Reject Advice Code entered in rp 79-80. Reject Advice Codes are shown in Appendix 10, Section T.

02615 CORRECTION/CHANGE OF STORAGE ITEM RECORDS

1. GENERAL. This paragraph provides standard procedures required by ICPs to provide for the correction and/or updating of storage activity records when:

- a. Reported transactions indicate an inconsistency with ICP records.
- b. A catalog/stock list change is processed against an ICP record which will affect stock control data maintained at storage activities.

2. ITEM CORRECTION/CHANGE NOTIFICATION. Storage Item Data Correction/Change Card, prepared in the format shown in Appendix 28, is identified by DI DZB. The code entered in rp 7 of this card serves to provide information as to the nature of the change, actions to be taken, and data field(s) affected by the change. These codes are in Appendix 10. Storage activities will use the Storage Item Data Correction/Change Card to update stock records, item locator records, bin tags, etc.

3. LOGISTIC REASSIGNMENTS (LR).

a. An LR Storage Information Card, DI DZC, will be prepared to transfer quantities between ownership segments on the storage activity records. This results from logistic reassignments. Alignment and format of DI DZC is shown in Appendix 28.

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b. Storage activities will use the LR Storage Information Card to update stock records, item locator records, bin tags, etc.

c. An LR Storage Information Reply Card (DI DZD) will be prepared by the storage activity within five working days to advise the LIM of the quantity transferred to the GIM ownership. Quantity available for transfer is subject to the retention quantity contained in rp 76-80 of the DZC. Alignment and format of the DZD is shown in Appendix 28.

d. If the LIM's storage activity does not receive a DZC for an item being logistically reassigned, the LIM's storage activity will transmit a DZD, with A in rp 7 (to the LIM) for each balance, by condition code. The LIM will use the DZD to conduct research or to request a special inventory, as appropriate, to correct the balance. The assets will be transferred as outlined in paragraph 02665.

02620 TRANSACTION ERRORS

1. GENERAL. During the processing of Transaction Item Reports and/or Asset Status Cards, inventory managers will detect selected errors. These errors fall into three basic categories: (1) Errors which the inventory manager can correct and continue processing; (2) Errors which concern a specific data element in the transaction and cannot be processed; and (3) Errors which indicate the submitting stock point has not received or processed the latest Change Notice Card. The type (2) and (3) errors will be returned to the reporting activity for action. Their type of action is indicated by an error code assigned in accordance with Appendix 10.

2. INVENTORY MANAGER RESPONSIBILITIES. Inventory managers will process Transaction Item Reports and Asset Status Cards. Errors that can be corrected and processed without rejection to the submitting stock point will be corrected by the inventory manager. Transaction errors which cannot be processed by the inventory manager, or which indicate the stock point records are not current, will be reported to the stock point using the format (and coding) shown in the Transaction Reject Card form shown in Appendix 28.

3. STOCK POINT RESPONSIBILITIES. Stock points receiving Transaction Error Cards will:

a. TRANSACTION ERRORS. Review the specific transaction and take the action indicated by the transaction error code as quickly as possible.

b. RECORD ERRORS. Use the Transaction Error Card as an official Change Notice Card and update records within 24 hours.

c. TIME FRAMES. Time frames for returning corrected error cards for ammunition transactions are contained in NAVSEAINST 8015.1A and NAVICP MECHINST 8010.12.

SECTION 12

02650 ESTABLISHMENT OF SPECIAL POOLS AND FIXED ALLOWANCES

1. GENERAL. Special Purpose Codes are assigned when it's necessary to set aside quantities of on hand assets for authorized purposes - such as the fixed allowance program. Generally, special pools of locally repairable MTR material are established and carried in Purpose Codes V and W. Fixed allowance material is carried in A, L, V, and W Purpose Codes. Although selected items may be physically located in a special pool storage area under the popular item concept. The actual negotiations between the customer/stock point and the inventory manager are beyond the scope of this manual. Special pools and fixed allowances managed under purpose codes - other than W or L - will be processed in accordance with paragraphs 2 through 6 below. Fixed allowances of depot level repairables carried in W or L Purpose (End-Use) will be processed in accordance with paragraphs 6 and 7 below.

2. PURPOSE CODES. Supplement information on purpose codes as provided. Inventories and fixed allowances ashore will be identified by purpose code. Separate visibility and storage locations for End-Use and wholesale (NWCF owned) inventories are required. Physical inventory reports must accommodate separate purpose code (A/V/W/L) visibility and ownership. The following purpose codes and the associated logistics assignments apply:

<u>Purpose Code</u>	<u>Inventory Level</u>	<u>Stores Account /Cog</u>	<u>Remarks</u>
A	Wholesale	NWCF/All NWCF (incl. 0 cog) APA/All APA	- Pushed
A	Intermediate Retail	NWCF/All NWCF APA/All APA	- Fixed Allowance under NSO - DLRs. - VOSL model for consumables. - Geographic support OSI. - Pulled.
A	SHORECAL Consumer Level Retail (Consumables)	NWCF/I_ , 5_ , 9_	- VOSL/ERM model. - Pulled. - Does not include FLRs 1 D/3 cog.
V	NADEP/Depot Consumer Level Retail	NWCF/7_ APA/All APA	- Fixed Allowance under NSO. For NARF SDLM and Engine support. - Pulled. - For Ships' Depot Level pools.

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<u>Purpose Code</u>	<u>Inventory Level</u>	<u>Stores Account /Cog</u>	<u>Remarks</u>
W	SHORCAL Consumer Level Retail and Ships' OSI (DLRs and FLRs)	End-Use/7_ , 0_ - NWCF/I_ , (3_) , 5_ , (FLRs) APA/All APA	- Fixed Allowance under NSO. - Station Aircraft or Geographic support. - Packup support. - Pulled.
L	SHORCAL Consumer Level Retail (Packup)	End-Use/7_ , 0_ - NWCF/I_ , 5_ , 9_ APA/All APA	Fixed Allowance under NSO. - Packup for deployed requirement.

3. REQUIREMENTS ESTABLISHMENT. To establish special pool stocks, the user activity will submit a Request for Planned Requirement in accordance with paragraph 02143 and Appendix 28. The expiration date will be entered as X99, Project Code as 799, the RDD as the year and month in which the special pool is to start, and the Purpose Code as V or A. The inventory manager will respond with a BPA Planned Requirement Acknowledgment Card and Advice Status Code RV, as specified by paragraph 02143. Both the user activity and the inventory manager will retain facsimiles of the BPA Planned Requirement Acknowledgment Card as the detail record supporting the requirement.

4. ASSIGNMENT OF STOCKS TO THE SPECIAL POOL AND FIXED ALLOWANCE. Upon receipt of the BPA Planned Requirement Acknowledgment Card, the stock point will transfer material from Purpose Code A assets to Purpose Code V, as applicable, to establish the special pool and fixed allowance. If the quantity authorized for the special pool is not available in Purpose Code A, the inventory manager will redistribute or procure additional material to provide adequate Purpose Code A assets. In the interim, the stock point may transfer the Purpose Code A assets that are available to the special pool and fixed allowance. The quantity (that the pool is deficient) may be transferred on receipt of additional Purpose Code A assets.

5. STOCK RECORD ADJUSTMENT. A and V purpose stock records will be adjusted by using a Dual Adjustment transaction, DI DAD. This will permit the movement of assets between Purpose Codes. Project Code 799 will be perpetuated.

6. MAINTENANCE OF SPECIAL POOL AND FIXED ALLOWANCE STOCK RECORDS. Items in special pools and fixed allowances are assigned Purpose Codes A, L, V, and W. The following guidelines will prevail in controlling items transferred to these purpose codes.

a. Material positioned in Purpose Codes L, V, or W will not be subject to redistribution except as a last resort to meet operative requirements.

b. Turn-ins of unserviceable material (resulting from MTR exchange issues of Purpose Code V material) that cannot be repaired locally, will be retrograded to the DSP/DOP via the ATAC HUB. The document number on the retrograde shipment document will be exactly the same as the original requisition document number. Retrograde shipments of fixed allowance MTR material will require stock and financial record update and shipment will be made using a 1348-1A shipping document containing DIs BCI/BC2. Replacement of V stocks is the responsibility of the stock point and will be done by submitting a stock replenishment requisition with Advice Code 5X. Receipts of fixed allowance material will be taken up directly into V Purpose Code stock.

c. If issues of APA cog W Purpose Code cannot be repaired locally, they will be retrograded to the applicable DSP/DOP via the ATAC HUB. The document number used on the retrograde shipment will be the document number of the stock replenishment requisition, since APA cog W Purpose inventories of DLRs are requisitioned and carcass tracked as End-Use DLRs. (See paragraph 02242.1c for replenishment procedures.) Retrograde shipments will be made using Form 1348-1A containing DI BCI/BC2. Material from the stock replenishment requisition will be taken up directly in W Purpose Code stock.

7. REQUIREMENTS PROCESSING FOR END-USE STORES ACCOUNT ITEMS (7 COG) IN PURPOSE CODE W (see Table in paragraph 2 above). Deficiencies as a result of new or increased fixed allowance quantities for 7R cog items will be ordered by SHORCAL/AVCAL activities submitting an AO requisition citing Advice Code 5D and Fund Code QZ direct to NAVICP PHIL. SHORCAL/AVCAL activities will submit AO requisition off-line to NAVICP PHIL for 7E/G/H/N cog items using the same advice and-fund codes; NAVICP PHIL will verify these requisitions and pass them to NAVICP MECH for supply action. Deficiencies for 0 cog items as a result of new or increased allowances will be requisitioned using a 5D Advice Code and a Y6 Fund Code.

a. Material received from these requisitions is placed in stock under Purpose Code W.

b. 7_ and 0_ cog material in Purpose Code W is under End-Use ownership and is not part of wholesale system stock and cannot be redistributed.

c. Exchange turn-in resulting from issues of 7_ and 0_ cog W Purpose will be retrograded to the DSP/DOP via the ATAC HUB. The document number on the retrograde shipment will be the same as the document number of the stock replenishment requisition (see paragraph 02242.1c).

d. SHORCAL activities will order fixed allowance deficiencies for L Purpose Code under Purpose Code W. Upon receipt of material in Purpose Code W, activities will transfer assets to Purpose Code L via a purpose code transfer.

e. Purpose code transfers between Wholesale (A Purpose) and End-Use inventories (W/L Purpose) are not permitted after transition to End-Use ownership. Purpose code transfers are permitted between End-Use inventories W to L or L to W.

02660 NAVY ITEM CONTROL NUMBERS

1. GENERAL. NSNs (National Stock Numbers) are required for all items which are centrally managed or procured for supply system stock. Further, new items entering the Navy Supply System will be identified in time to permit assignment of NSNs prior to shipment from suppliers. There are a number of instances when a Navy Item Control Number (NICN) is used prior to assignment of an NSN. Included under the NICN designation are the following: ICP assigned control numbers, kit numbers, publications and forms ordering numbers, local Navy Activity Control (NAC) numbers, and other locally assigned numbers.

2. NICN FORMATS. The NICN is a 13-digit number which is comprised of the following parts:

<u>Digits</u>	<u>Explanation</u>
1-4	Federal Supply Classification (FSC) Code (Numeric).
5-6	Navy Item Control (NIC) Number Code (Alpha).
7-13	Serial Number (Alpha-Numeric).

a. The following NIC Number Codes are authorized for use in positions 5 and 6 of Navy Item Control Numbers. These are the codes which differentiate the types of NICNs:

<u>NIC Number Code</u>	<u>Used to Designate</u>
LD	Directives Ordering Number, e.g., 1234-LD-123-4567
LE	POSEIDON Items Common to TRIDENT, e.g., 1234-LE-123-4567.
LF	Form Ordering Numbers (Cog II material), e.g., 1234-LF-123-4567.
LK	Aircraft Change Kit Numbers, e.g., 1234-LK-YAI-2345.
LP	Publication Ordering Numbers (Cog 01), e.g., 1234-LP-123-4567.
LQ	Aircraft Quick Engine Change Kit, e.g., 1234-LQ-123-4567.
LS	SSPO Alteration Kit Numbers, e.g., 1234-LS-123-4567.
LT	System Software Change Kit, e.g., 1234-LT-123-4567.
LW	All TRIDENT and C-4 Backfit Unique Items, e.g., 1234-LW-123-4567.
LX	Local NAC Number, e.g., 1234-LX-NP1-2345. (NOTE: These are assigned by NAVICP PHIL field activities. Requisitions for material, which have been assigned NACs, should be directed to the activity that assigned the NAC number in accordance with NAVICP PHIL Pub. NAC-10.)
LL	All other local item control numbers, e.g., 1234-LL-123-4567.

b. Deviations from the standard format or for use of other than the alpha NIC Number Codes require approval by the Naval Supply Systems Command (SUP 4113). Those Navy Item Control Numbers assigned prior to the NSN conversion and up until 31 December 1974 are identified by one of two NIC Number Codes: 00 when all the digits are numeric (as in the case for forms and publications ordering numbers and name brand subsistence items) and LL when an alpha character appears in any position of the assigned NICN (e.g., aircraft change kit numbers and ICP/item manager assigned control numbers). All NICNs assigned after 1 January 1975 will contain a NIC Number Code as shown in paragraph 2a above.

02665 LOGISTIC REASSIGNMENTS

1. GENERAL.

a. This chapter provides procedures designed to:

- (1) Ensure successful Logistic Reassignment (LR) of all items.
- (2) Provide adequate management control of items in a transitional situation.
- (3) Assure uninterrupted supply support of items during the transition period.

b. To facilitate comprehension of this section, the LR process has been divided into three periods of time based upon the Effective Transfer Date (ETD). These periods are identified as pre-ETD, ETD, and post-ETD. The pre-ETD period commences on the date the Gaining Item Manager (GIM) assignment/ETD is sent to the GIM/Losing Item Manager (LIM) and terminates at ETD. The ETD is the date of the LR. Although the ETD is a specific point in time, for the purpose of this procedure, any actions involving data requirements that reflect conditions as of the ETD will be discussed as if actions took place on the ETD, even though they may have been taken immediately before or after the actual ETD. The post-ETD period commences immediately following the ETD and includes all actions that do not specifically involve data requirements that reflect conditions as of the ETD. The specific events required to take place during the LR are defined under the period.

2. POLICY.

- a. DoD policy for LR of consumable items is contained in DoD 4140.26-M.
- b. DoD policy for LR of nonconsumable items is contained in NAVSUPINST 4790.7
- c. The following policy is included in MILSTRAP:

(1) Coordination between the LIM and GIM is required to prevent procurements by the LIM in the event the GIM is in a potential long supply or excess asset position.

(2) One hundred fifty days prior to ETD, the LIM will discontinue initiating disposal actions for issuable wholesale assets which are in excess position. Disposal action will continue for condemned material.

(3) The GIM, if appropriate, will give disposition instructions for assets remaining at the LIM's storage sites. Disposition instructions will be in MILSTRIP formats (MROs or RDOs).

(4) The LIM will advise the GIM of categories of government-owned IPE, Special Tooling and Test Equipment applicable to the production of an item logistically reassigned.

3. REQUIREMENTS.

a. The LIM, GIM, and storage activities will effect the actions required by MILSTRAP procedures to reassign accountability to the GIM in a timely manner to assure uninterrupted supply support. Direct communication, coordination, and assistance are required in resolving problems affecting supply operation.

b. The GIM will accept, as of the ETD, those items and book balances submitted by the LIM. (The following policy covering transfer of assets for LR is implemented from DoD 4140.26-M and NAVSUPINST 4790.7. The LIM will transfer all on hand wholesale balances, in place, except:

(1) Assets committed to the support of special projects, programs, and/or plans including the ILP, e.g., staged shipments, packaged shipments. On hand wholesale assets in support of the ILP will not be transferred to the GIM nor will any ongoing procurement action in support of the ILP be terminated.

(2) Consumable assets in Supply Condition Codes F, H, J, K, L, M, P, Q, R, and S. (See DoD 4140.26-M for complete criteria.)

(3) Nonconsumable assets in Supply Condition Codes G, H, J, K, L, M, and P. Supply Condition Codes H and P material will never be decapitalized. (See NAVSUPINST 4790.7 for complete criteria.)

c. On an expedited basis the LIM will decapitalize to the GIM wholesale assets, other than the supply condition codes shown in subparagraphs b.(2) and b.(3) above, generated during the first year subsequent to the ETD. The LIM will report assets generated after 1 year of ETD under the MILSTRIP Material Returns Program. Except as noted in paragraph 7, the GIM will reject assets decapitalized more than one year after the ETD using DI Code DZG, Transaction Reject with Reject Advice Code AW.

4. PRE-ETD ACTIONS.

a. GENERAL.

(1) The LIM procurement office will provide the GIM with contractual status on contracts either retained by the LIM or assigned to DCAS for contract administration. Contract status includes, but is not limited to, delivery status, acceleration of delivery, follow-up status requests, and executing modifications to basic contracts.

(2) For nonconsumable items, the LIM will furnish the GIM listings of all purchase requests (procurement actions that have not reached the award stage) throughout the pre-ETD period. The GIM will, within 15 calendar days subsequent to the receipt of the purchase request listing from the LIM, annotate required changes and return one copy to the LIM. For consumable items, provide purchase request data in accordance with subparagraph 4.e (2).

(3) The LIM will reclassify consumable assets, in Supply Condition Code R, to the correct condition code before the LIM provides the GIM the updated LR supply management data transactions (DI Codes DLS through DLX) prescribed by subparagraph 4.f (3).

(4) For assets in Supply Condition Code H, the LIM will either forward the assets to disposal or reclassify them to their true condition - authorized by DoD 4000.25-2M, Chapter 5.

b. One Hundred and Fifty Days Prior to ETD, or upon notification, if less than 150 days:

(1) The LIM will perform physical inventories under the MILSTRAP Chapter Seven procedures, as stated in DoD 4140.26-M for consumable items, and NAVSUPINST 4790.7 for nonconsumable items, as follows:

(a) For consumables, inventory stock on hand for wholesale assets designated as classified or sensitive (see definitions and terms for explanation of terms).

(b) For nonconsumables, inventory on hand wholesale assets.

(2) The LIM will advise the GIM of assets being held for litigation action.

c. One Hundred and Twenty Days Prior to ETD, or upon notification, if less than 120 days

(1) For consumable items being transferred, the LIM will furnish the GIM LR supply management data transactions, DI Codes DLS, DLT, DLU, DLV, DLW, and DLX.

d. SIXTY DAYS PRIOR TO ETD.

(1) When a MILSTRIP DI Code FTE Excess Report is submitted to the LIM and the LIM stock position indicates that disposal action is appropriate, the LIM will furnish the reporting activity with a DI Code FTR Reply to Excess Report, using Excess Transaction Status Code SM. This will indicate to the reporting activity that disposal action is correct but the item is in process of migrating and further action is deferred until after ETD.

e. FORTY FIVE DAYS PRIOR TO ETD.

(1) By mutual agreement between the GIM and the LIM, the LIM will initiate action to amend existing LR item contracts/purchase orders which are not reassigned to the GIM to provide for diversion of shipments of stock by quantities into storage activities of the GIM. The GIM will provide addresses of the shipping destinations to the LIM, as appropriate. The LIM will retain the due-in.

(2) For consumable items, the LIM will furnish listings of all purchase requests (procurement actions that have not reached the award stage) to the GIM in accordance with DoD 4140.26-M. The GIM will, within 15 calendar days after the receipt of the purchase request listing from the LIM, annotate required changes and return one copy to the LIM.

f. THIRTY DAYS PRIOR TO ETD.

(1) The LIM will furnish the GIM a WMR data listing sequenced by NSN and DoD component (and RI code within component when the requirements have been allocated), major to minor, reflecting the current computed data. Include the quantity and value of the OWMR; OWRMR; OWRMRP; forecasted reparable return data, if applicable; PWRMR; PWRMRP; dollar value subtotals for FSC, RI code if allocated, and DoD component; and grand total dollar value.

(2) The LIM will mail the WMR data listing to the GIM together with WMR transactions, DI Code DM_. The DI Code DM_ transactions, prepared in the Appendix 283-50 format, will reflect the original input from which the WMR computed data was generated. Upon receipt of the DI Code DM_ transactions, the GIM will process them to recompute the WMR data as shown in paragraph 02675.

(3) For consumable items being transferred, the LIM will furnish the GIM updated LR supply management data transactions, DI Codes DLS, DLT, DLU, DLV, DLW, and DLX.

(4) The LIM will furnish the GIM the latest status of assets being held for litigation.

5. ETD PERIOD ACTIONS.

a. The LIM will issue an LR Storage Information transaction, DI Code DZC, to their storage activities which serves as a notification that wholesale stocks stored are now under the ownership and accountability of the GIM.

b. The LIM will process inventory adjustment transactions to decrease the inventory control record using DI Code D9E, Decrease - Logistics Transfer, or DI Code D9F, Decrease - Decapitalization as appropriate. The decrease will be done through the use of the DD Form 1487.

c. The LIM will prepare and transmit to the GIM, DI Code DEE (Logistics transfer) or DEF (Decapitalization) transactions as appropriate, by condition and location.

d. The LIM will furnish memorandum due-in information (as of the ETD) to the GIM using DI Code DDX or DI Code DFX. Quantities will only reflect what is available for transfer.

e. The LIM will furnish the GIM storage activity a PMR, DI Code DU_, for each due-in from procurement on which the destination has been changed to the GIM. In addition, the LIM will furnish the LIM storage activity a PMR reversal (entry of an 11 zone punch in record position 25) for deletion of the PMR from their file.

f. Transfer of backorders to the GIM will be done by referral/passing orders prepared in accordance with MILSTRIP. Backorders transferred between Services/Agencies will be funded.

g. For items with SPR, the LIM will transmit to the forecasting activity an SPR Status transaction as outlined in paragraph 2145.

h. The LIM will advise the GIM of the latest data available on assets being held for litigation.

6. POST-ETD ACTIONS.

a. The GIM will convert the DI Code DEE or DEF transaction received from the LIM to DI Code D8E (Increase - Logistics Transfer) or D8F (Increase - Capitalization), as appropriate to establish or increase the inventory balances. (This action is not required upon receipt of a DI Code DEE/DEF with a zero quantity.) This will be done through the use of the DD Form 1487. The GIM may automatically reject invalid DI Code DEE or DEF transactions using DI Code DZG Transaction Rejects, processed in accordance with MILSTRAP. Telephone communication between the GIM and LIM is authorized to resolve DI Code DEE or DEF transactions that reject from the validation process.

b. The GIM will process DI Code DDX and DFX transactions, received from the LIM, to establish memorandum dues-in. In the event material, other than procurement, has not been received within 6 months of ETD, the memorandum due-in will be deleted by the GIM. However, the GIM will not delete memorandum due-in from procurement sources unless advised by the LIM that procurement has been canceled.

c. The GIM, when appropriate, will furnish reconsignment instructions to the LIM for items due-in from undelivered contracts of the LIM. Reporting of receipts from these contracts (after the ETD) will be in accordance with Section G.

d. The GIM will accept and process DI Code DEE/DEF reversal transactions, adjust the accountable records, and discontinue processing any other transactions against the LR assets until new DI Code DEE/DEF transactions from the LIM are processed. If the DI Code DEE/DEF reversal transactions are received incorrect, the GIM may contact the LIM to verify that the reversal action is appropriate, correct and continue processing the transaction, or reject the transaction using the DI Code DZG Transaction Reject document with Reject Advice Code AE.

e. The LIM will take action to change the destination of undelivered purchases upon request of the GIM. Upon changing the quantity due-in/destination, prepare, and transmit a due-in reversal and a new due-in to the GIM. Additionally, when an award is made for an unawarded purchase request, the LIM will prepare and transmit to the GIM a memorandum due-in transaction, DI Code DDX, and a PMR, DI Code DU_ to the applicable storage activity.

f. The LIM will enter litigation on all items in Supply Condition Code L which are either on hand at ETD or subsequently received by either the GIM or LIM on LIM negotiated contracts. The LIM will notify the GIM of actions taken to resolve the litigation actions.

g. When an item previously transferred to the GIM is restored to an issuable condition, or when inspection of stock on hand reveals a change in condition of the material, the GIM will be notified of the condition transfer. Notification will be done by preparation and submission of an Inventory Adjustment Transaction, DI Code DAC.

h. The LIM's storage activity will prepare an LR Storage Information Reply, DI Code DZD, within 5 working days advising the LIM of the quantity transferred to the GIM ownership. In the event the LIM's storage activity does not receive a DI Code DZC, the storage activity will prepare, and transmit to the LIM, a DI Code DZD with an A in record position 7, reflecting each balance by supply condition code. Additional processing instructions pertaining to the LR Storage Information transactions are outlined in MILSTRAP, Chapter 10.

i. Upon receipt of the DI Code DZD (LR Storage Information Reply Transaction) the LIM reviews the quantity. When the quantity in the DI Code DZD is greater than DI DZC (LR Storage Information transaction) quantity, the LIM transfers the additional quantity to the GIM on a new DI DEE/DEF. When the quantity in the DI DZD is less than the quantity in the DI DZC, the LIM shall (1) within 24 hours take action to reverse the previously submitted DI DEE/DEF (total quantity) transactions for that location, (2) conduct research and/or request a special inventory when deemed appropriate, (3) determine whether the quantity reported by the LIM's storage activity is correct, (4) provide the GIM new DI DEE/DEF transactions which contain new document numbers with revised quantity and (5) complete this action within 30 days after the ETD. If extenuating circumstances prevent a LIM from accomplishing this task within 30 calendar days, the LIM should notify the GIM of the problem and the date when the problem should be resolved (not to exceed 60 days past the ETD). If the DI DZD transaction is for an item which the LIM provided a zero balance DI Code DEE/DEF transaction, and contains a transferable quantity, the LIM will provide a new DI DEE/DEF to the GIM showing quantity, condition, and location. The LIM won't prepare a DI DEE/DEF reversal. For transferred consumables the LIM will furnish the GIM an updated LR Contract History Data Transactions, DI DLW.

j. TWO HUNDRED AND SEVENTY DAYS AFTER THE ETD. For transferred consumables, the LIM will furnish the GIM updated LR Contract History Data Transactions, DI Code DLW.

7. RECEIPT PROCESSING AFTER ETD.

a. RECEIPTS FOR PROCUREMENT.

(1) Upon receipt of assets from procurement by either the GIM or LIM storage activity, forward a Material Receipt Transaction (DI Code D4S) to the LIM.

(2) Procurement receipts received after 1 year past the ETD will be processed by the LIM and GIM in the same manner that procurement receipts would be processed when received during the ETD to 1 year period.

(3) The LIM will:

(a) Process the storage activity initiated D4S receipt transaction to reduce the due-in record and record assets on the accountable record for the quantity received.

(b) Decrease the inventory control record using DI Code D9E/D9F, as appropriate.

(c) Transmit a Material Receipt Transaction (DI Code D4X) to the GIM.

(d) Prepare and transmit a Logistics Transfer/Decapitalization Transaction (DI Code DEE/DEF) to the GIM.

(4) The GIM will use the D4X transaction to reduce the memorandum due-in record and will use the DEE/DEF transaction to record assets on the accountable record for the quantity received.

(5) For material received for which litigation is required, the LIM will record assets on the accountable record in Supply Condition Code L and reduce the due-in record. At this time, no action will be taken by the LIM to remove or change the GIM's memorandum due-in by producing a D4X transaction. When the litigation proceedings are completed and the material is reclassified to an issuable condition, the LIM will provide the GIM DEE/DEF and D4X transactions to effect the LR and reduce the memorandum due-ins. If material is returned to the contractor due to litigation proceedings, the LIM will notify the GIM in writing. Action must be taken by the LIM to reestablish a due-in if the material being returned to the contractor for deficiency correction will eventually be returned to the LIM's storage activity.

(6) In the event assets from procurement are received (where there are no PMRs recorded at the receiving storage activity) the receiving activity will report the receipt to the cognizant Item Manager. If the GIM does not have a recorded due-in and the item was recently involved in an LR, the GIM should research/contact the LIM to determine proper reporting of the receipt to maintain accountability accuracy. If the procurement receipt is incorrectly reported to the LIM (and the LIM did not initiate the procurement action), the LIM should reject the receipt back to the initiator with a DI Code DZG Transaction Reject and Reject Advice Code AB.

b. RECEIPTS FROM OTHER THAN PROCUREMENT.

(1) The LIM's Storage Activity, upon receipt of assets from other than procurement, will prepare and forward a Material Receipt Transaction (DI Code D6_) to the LIM.

(2) The LIM will:

(a) Process the storage activity initiated D6 series receipt transaction to reduce the due-in record and record assets on the accountable record for the quantity received.

(b) Decrease the inventory control record using DI Code D9E/D9F, as appropriate.

(c) Prepare and transmit a Material Receipt Transaction, DI Code D6X, to GIM.

(d) Prepare and transmit a Logistics Transfer/Decapitalization Transaction (DI Code DEE/DEF) to the GIM.

(3) The GIM will use the D6X transaction to reduce the memorandum due-in record and will use the DEE/DEF transaction to record assets on the accountable record for the quantity received.

(4) In the event assets from other than procurement sources are received (where there are no PMRs recorded at the receiving storage activity) the receiving activity will report the receipt to the cognizant item manager (the GIM). If the receipt is incorrectly reported to an item manager, the receipt should be rejected to the initiator with a DZG Transaction Reject and Reject Advice Code AB.

8. FOLLOW-UP FOR ASSET DATA. The GIM will transmit DI Code DLA, Logistics Transfer/Decapitalization Follow-ups, for all items logistically reassigned where the LIM transferred no assets and/or provided no due-in data within 10 days of the ETD. The GIM will prepare the DI Code DLA follow-up. For additional follow-up procedures, see paragraph 10.

9. REPLY TO FOLLOW-UP FOR ASSET DATA.

- a. The LIM will submit DI Code DLB Replies to Logistics Transfer/Decapitalization Follow-ups to the GIM in response to DI Code DLA follow-ups.
- b. The DI Code DLB replies will contain the asset transfer status codes to advise the GIM of the action being taken.

10. FOLLOW-UP FOR DUE-IN DATA.

- a. To follow-up for due-in data, the GIM will transmit a DI Code DLC Logistics Reassignment Delinquent Due-In Follow-up.
- b. FOLLOW-UP FOR DUES-IN WITH EXPIRED EDDS. The GIM will initiate a due-in follow-up when the EDD for delivery of material is delinquent more than 30 calendar days. The delinquent date will be computed from the DI Code DDX/DFX memorandum due-in which the LIM provided on the ETD. The GIM will also initiate a due-in follow-up when a revised due-in date subsequently becomes delinquent by 30 calendar days.
- c. FOLLOW-UP FOR DUES-IN WITH BLANK OR INVALID EDDS. If the DI Code DDX/DFX memorandum due-in, which the LIM provided on the ETD, contains a blank or invalid EDD (e.g., for material pending procurement/contract action by the LIM) The GIM will initiate a due-in follow-up 30 calendar days after the ETD. The GIM will initiate a second follow-up 60 calendar days after the ETD. The second follow-up will have code 2 in record position 7. Nonresponse to the second follow-up will result in off-line intervention by the GIM. All dues-in with invalid or blank EDDs 90 calendar days after the ETD will be included in the reconciliation (see paragraph 12). Based on the response, the GIM will determine if additional follow-up/reconciliation action is required.

11. REPLY TO FOLLOW-UP FOR DUE-IN DATA.

- a. The LIM will reply to DI Code DLC follow-ups using DI Code DLD Logistics Reassignment Delinquent Due-In Responses. The DI Code DLD response will contain the appropriate asset transfer status code from Appendix 10.
- b. To prevent the need for follow-up transactions by the GIM, the LIM provides revised due-in dates (as changes occur) using DI DLD transactions with Asset Transfer Status AF.

12. SERVICE/AGENCY DUE-IN RECONCILIATION.

- a. The reconciliation process is used to verify that the GIM is in receipt of all procurement/contract award data for assets due-in and the most current EDDs available. This process will ensure that all items pending procurement/contract award on the ETD are still valid.
- b. The GIM will reconcile dues-in of reassigned material 90 calendar days after the ETD, and semiannually thereafter, for all material not received.
- c. To initiate the reconciliation, the GIM will submit DI Code DLE Logistics Reassignment Due-In Reconciliation Requests for all items with material still due-in to the LIM, regardless of the presence of a current EDD for the material.

d. The LIM will ensure that due-in information (for all items still pending procurement/contract action, pending delivery, or in litigation) is readily available to respond to the reconciliation request. The LIM Logistics Reassignment Due-In Reconciliation Responses containing the appropriate "asset transfer status codes" are in Appendix 10, Section L. Asset Transfer Status Codes are two digit alpha codes found in card column (cc) 65-66.

02670 LOGISTICS ASSET SUPPORT ESTIMATE

1. GENERAL. This section provides an automated procedure for the Military Services to determine the ability of the Integrated Material Managers (IMMs) to support contingency or operational plans, projects, and other important programs.

2. SCOPE. The provisions of this section are applicable to HQ DLA, Defense Supply Centers (DSCs), except the Defense Fuel Supply Center; Service ICPs functioning as a IMM and selected activities of the Army, Navy, Air Force, Marine Corps, and Coast Guard.

3. ASSET SUPPORT REQUESTS.

a. Submission of requests will be limited to the activities listed in Appendix 10.

b. This program is not intended for routine stock status inquiries, where normal MILSTRIP procedures should be employed. Rather, this program is to obtain a general estimate of the type of supply support which might be anticipated when a specific MILSTRIP requisition isn't related to the inquiry. Asset Support Requests will be initiated in conjunction with particular programs or projects by personnel responsible for scheduling, planning, or reporting on the overall supply support status of major equipment or systems.

c. The Services will determine the type of logistic data required and will submit an Asset Support Request Card as outlined in Appendix 28. Output data is dependent upon "Request Code" entered in RP 7 of the Asset Support Request Card (DI DTA) and will be reflected in the Asset Support Reply Cards (DTB for Asset Data, DTC for Backorder Data).

(1) If you need asset status (i.e., on-hand and due-in data) an Asset Support Request with an "A" in RP 7 will be submitted to the IMM. This request will generate an Asset Support Reply.

(2) If backorder condition is needed, an Asset Support Request with a "B" in RP 7 will be submitted to the IMM. This request will generate an Asset Support Reply (Backorder Condition).

(3) If both asset and backorder data are desired, an Asset Support Request with a "C" in RP 7 will be submitted to the IMM. This request will generate both an Asset Support Reply and Asset Support Reply (Backorder Condition).

d. Authorized activities will transmit asset support requests through the Defense Automatic Addressing System (DAAS). DAAS routes the requests using Content Indicator Code (CIC) IAZZ. The DAAS will recognize the DI DTA and place Content Indicator Code IHAC in the Header Card of the transmitting message upon passing or routing the request to the correct IMM. When the authorized requesting activity is collocated with the IMM, the asset support request may route directly to the office.

4. ASSET SUPPORT REPLIES.

a. Response to the Asset Support Request Cards will normally be done within five working days after receipt . In all instances, there must be a reply within 10 working days.

b. Replies will be formatted as shown in Appendix 28 to contain data as specified by the submitting activity.

c. When an asset support request is received on a nonpreferred National Stock Number (NSN), the IMM may provide data for the replacing **preferred** NSN. When this option is exercised, the asset support reply(s) will cite the replacing preferred NSN in rp 8-20 and a code 1 in rp 76 as shown in Appendix 28.

d. Listings of the data contained in each batch of Asset Support Reply Cards will be prepared and used by the IMMs for review and control. These listings will be kept for at least 90 days and then destroyed.

5. FOLLOW-UP ON ASSET SUPPORT REQUESTS.

a. When a DI DTB or DTC Asset Support Reply, or a DI DZG Transaction Reject has not been received by the submitting activity within 15 calendar days from the date the request was submitted to the IMM, the submitting activity may submit a follow-up to the IMM.

b. The asset support request follow-up is identified by DI DTD.

c. Authorized activities will transmit asset support request follow-ups through the DAAS for routing using Content Indicator Code IAZZ. The DAAS will recognize DI DTD and place content Indicator Code IHAC in the Header Card of the transmitting message when routing the request to the IMM. When the authorized activity is collocated with the IMM, the asset support request follow-up may be submitted directly to the office.

6. TRANSACTION REJECT AND STATUS NOTIFICATIONS.

a. The DAAS will edit, pass, route, or reject DI DTA and DTD Logistics Asset Support Estimate (LASE) transactions and will transmit DI DZ9 Status Notification and/or DI DZG Transactions Rejects to originators.

b. IMMs will validate the RIC (rp 27-29) and DODAAC (rp 30-35) in all asset support requests. Requests containing an invalid DODAAC will be rejected using a DI DZG Transaction Reject citing Reject Advice Code AF. Requests containing a RIC and/or a DODAAC, not authorized in paragraph eight, will be rejected using a transaction reject citing Reject Advice Code AV.

c. When asset support requests are received for an obsolete/inactive NSN which cannot be supported, IMMs may reject the request using a transaction rejecting citing Status Code CJ.

d. Transaction returned by IMMs will be prepared and processed as shown.

e. Authorized activities will process DI DZG Transaction Rejects and DI DZ9 Status Notifications. Reject advice codes used in asset support requests are AA, AB, AD, AF, AT, AU, AV, and AX. Status Code CJ, which may be received in transaction rejects, and Status Codes BG and BM, which may be received in status notifications, are defined in Appendix 2.

7. IMM ACTION ON ASSET SUPPORT REQUEST FOLLOW-UP. The IMM will process the follow-up as an asset support request. Except that rp 7 will be changed from Code A, B, or C to Code J, K, or L, respectively. These codes tell the submitting activity that replies are in response to a follow-up and not an initial request.

8. ACTIVITIES AUTHORIZED TO SUBMIT ASSET SUPPORT REQUEST. This paragraph has been moved to Appendix 10 in chart format. The clear text address is now deleted; however, the Routing Identifier Code and Activity DODAAC are provided. Service/Agency Focal Points are responsible for ensuring that activities listed are maintained in a current status by submitting changes, including Routing Identifier Codes and addresses to the DoD MILSTRIP Administrator as they occur.

02675 WAR MATERIAL REQUIREMENTS AND SIMULATED MOBILIZATION EXERCISES

1. PURPOSE. This paragraph prescribes procedures and responsibilities for:

a. Submission of War Material Requirements (WMR) from the Military Departments and Defense Agencies, hereafter referred to as the DoD Components, to the Integrated Material Managers (IMMs) of the Military Departments, Defense Logistics Agency, and General Services Administration.

b. Edit and validation of WMR data by IMMs and rejection of incomplete or invalid input.

c. Providing output from the Losing Item Manager (LIM) to the Gaining Item Manager (GIM) upon logistical reassignment of an item.

d. Providing guidelines which affect simulated mobilization exercises.

2. WAR MATERIAL REQUIREMENTS.

a. DoD policy for management and development of WMR is contained in DoD Directive 4140.2, Management of War Reserves; DoD Instruction 4140.21, Management of War Reserves for Integrated Items assigned to the Military Departments, the Defense Supply Agency and the General Services Administration; DoD Instruction 4140.47, Secondary Item War Reserves Requirements Development; and the DoD Directives and Instructions cited there.

b. DoD Components will transmit war material requirements data to reach IMMs by 15 February each year. They will submit corrections and/or changes as required. Do not submit zero quantity requirements. Prepare the transactions citing the DI (DI) code in the DM_ series displayed in Appendix 28. Use multiple transactions when required to accommodate submission of the number of months data specified in the Defense Guidance issued each year. Transmit the data as a total package. When tapes are mailed, affix an exterior label which cites the following tape specifications:

(1) Identification - "War Material Requirements Data"

(2) Tape density

(3) Reel number

- (4) Data set name or "unlabeled"
- (5) Track
- (6) Record and block size
- (7) Record count

c. Integrated Material Managers will control each DoD Component's input war material requirements data transactions by National Stock Number (NSN). Edit the DI Code DM_ transactions and, as required by DODI 4140.21, validate the edited transactions for adequacy and accuracy of data. Consider validated requirements in both the annual computation of the Other War Reserve Material Requirement (OWRMR), Other War Reserve Material Requirement, Protectable (OWRMRP), and in any recomputation of these requirements upon receipt of corrected or revised DM_ input. When any transaction(s) for an NSN contains invalid, inadequate, or inaccurate data, or when transactions are missing, reject the entire submission for the NSN to the submitting DoD Component. Include all rejections on a listing reflecting the 80-80 image of the input DM_ transaction and a code identifying the reason for rejection. Mail the listing, together with a letter explaining the rejection code and action required, to the submitter.

d. When items are logistically reassigned, the LIM will furnish the GIM a listing of war material requirements data with supporting DI Code DM_ transactions.

3. SIMULATED MOBILIZATION EXERCISES.

a. When establishing plans which require simulated mobilization exercises, DI codes in the E series have been assigned for MILSTRAP type transactions. These transactions will not be processed as action documents (i.e., accountable/unit records) in the supply distribution system(s). Service/Agency activities, responsible for initiating mobilization exercises, must use extreme caution to ensure procedures are explained and the complete coordination of all participants.

b. Military Standard Requisitioning and Issue Procedures (MILSTRIP) have project codes in the 3E_ series that are reserved for simulated mobilization exercises.

02680 INSTALLATION CLOSURE PROCEDURES

1. GENERAL. This section provides procedures and specifies time frames to be used for installation closures. These procedures are intended to systematically curtail supply support, transfer mission essential material, transfer excess material, and redirect mission essential requisitions from activities affected by installation closures. Included are procedures for reporting all installation owned property, which will not be transferred with the mission, to the new location(s).

2. SCOPE AND APPLICABILITY. These procedures and time frames are applicable to all DoD installations, both CONUS and overseas, DoD tenant, and satellite activities, DoD Inventory Control Points (ICPs), DoD Integrated Material Managers (IMMs), and to General Services Administration (GSA) activities processing reports of excess property generated as a result of an installation closure.

3. EXCLUSIONS. In addition to the normal MILSTRIP exclusions, these procedures are not applicable to the following:

a. Related personal property which can be reported to GSA as a part of a real estate package. Related personal property is classified as any property:

(1) Which is an integral part of real property or is related to, designed for, or specially adapted to the functional or productive capacity of the real property - where removal of this personal property would significantly diminish the economic value of the real property. Normally, common use items, including, but not limited to, general purpose furniture, utensils, office machines, office supplies, or general purpose vehicles, are not considered to be related personal property.

(2) Which is determined by the Administrator of General Services to be related to the real property.

b. Installed Property (Class II Plant Property).

c. Real Property.

4. INSTALLATION CLOSING PROCEDURES.

a. STRATIFICATION OF INVENTORY.

(1) INSTALLATION PROCEDURES. An inventory of all installation owned property will be conducted as soon as a confirmed closure date is announced. The inventory will include, but not be limited to, nonconsumable items (recoverable/capitalized assets and assets on table of allowances) and consumable items (assets on stock fund records). Each designated account will maintain its identity. An inventory - applying to each designated account - will be stratified into three classes of property:

(a) Mission essential and is to be transferred to a new location with the mission.

(b) Not mission essential but is required for local operations during the period prior to closure.

(c) Excess to operational needs.

(2) TENANT AND SATELLITE ACTIVITIES. Each tenant and/or satellite activity having custody of installation owned property will return that property to the installation. Accountable records will reflect the returns. Tenant and satellite owned property will be inventoried and stratified as described in paragraph 4a above.

(3) STOCK FUND. Service managed stock fund items will be relocated with the mission, if mission essential, or redistributed within the Service stock fund. IMM items will be relocated with the mission, if mission essential, or reported to the IMM for disposition instructions.

b. IN PROCESS REQUISITIONS.

(1) Simultaneously with the conduct of the inventory, a review of installation requisitions will be conducted. Requisitions will be identified to those which will be:

(a) Continued for shipment to the unit's relocation site.

(b) Continued for operational requirements until closure.

(c) Excess to operational needs and will be canceled. Cancellation will be done by single line cancellation if time permits.

(2) Sixty days prior to closure date all requisitions will be reviewed again for need. If required, the requisitions will be identified for shipment to the relocation site. Requisitions not required will be canceled using single line cancellation procedures. When time is insufficient to effect single line cancellations, mass cancellation procedures will be used. Mass cancellation procedures do not provide for continuation of requisitions for shipment to a new location site.

c. DISPOSITION OF INVENTORY.

(1) The activity being closed will develop a time phased schedule to transfer mission essential property to the new location(s) of the mission(s). The schedule will plan the movement of such property at the earliest date possible without impairing mission capability. Mission essential property will be transferred to the new location after transfer of the mission only in those circumstances where mission essential items are required up to and including the last day prior to the mission transfer.

(2) In actions for an installation closure, all items not mission essential are reviewed and processed in accordance with the provisions of DODD 5410.12, Economic Adjustment Assistance to Defense Impacted Communities. Initial review of installation-owned items under the provisions of DODD 5410.12 will begin immediately upon completion of the inventory - including items identified as excess and those items identified as being necessary for operation of the installation prior to closure. Using these item lists as the basis, the preliminary identification of "related personal property", as defined by DODD 5410.12, is made.

(3) In actions involving the closure of overseas installations, all items which are not mission essential and/or will not be transferred with the activity are reviewed and processed in accordance with agreements between the United States and the host country. The review will begin immediately upon completion of the inventory, including those items identified as necessary for operations of the installation prior to closure.

(4) Immediately upon completion of the inventory and, if time permits, not less than six months prior to the announced date of closure, all property identified as excess, and which is not included in the preliminary list of "related personal property", is reported to the ICP/IMM in accordance with Material Returns Program (MRP) procedures.

(5) All non-essential property that's required to operate the installation for all or a portion of the time remaining until closure, and which is not included in the preliminary list of "related personal property", is stratified in order of the dates that the items become excess to operational needs. Sixty days prior to the date that each item becomes excess, the items are reported as excess to the ICP/IMM in accordance with MRP procedures.

(6) Items identified as related personal property [see paragraph 4c(2)] are reported to the ICP/IMM using DI Code FTE, Customer Report of Available Excess, and Project Code 3QQ in rp 57-59. The Project Code 3QQ tells the ICP/IMM that the item has been placed on the preliminary inventory of related personal property. This designates the item(s) for transfer to the local community when the installation closes. If there is a DoD requirement, the item(s) are deleted from the inventory of related personal property. Related personal property will not be reported to GSA under MRP procedures.

(7) Items which have been reported to ICPs/IMMs as excess in accordance with the above guidance and procedures and for which the ICPs/IMMs have indicated a requirement are processed in accordance with ICP/IMM material return instructions.

(8) All items which have been reported to the ICPs/IMMs as excess and the ICPs/IMMs have authorized disposal, plus those items which are not reportable to ICPs/IMMs (e.g., locally purchased non-NSN items), are disposed of in accordance with existing procedures. All items which are identified as related personal property (see paragraph 2 above) and for which there is no DoD requirement will remain in the installation.

5. PROCEDURES - ICP/IMM. ICPs/IMMs will use their existing procedures to report excess property resulting from an installation closing. ICPs/IMMs will not direct return of related personal property - identified by Project Code 3QQ - unless the item is required to meet an Approved Force Acquisition Objective (AFAO) and/or approved Prepositioned War Reserve Requirements (PWRR).

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CHAPTER 3 - MATERIAL PROCUREMENT

PART A: INTRODUCTION

03000 PURPOSE

This chapter explains how to use the Military Standard Requisitioning and Issue Procedures (MILSTRIP) to requisition material. MILSTRIP is used to order all material (except for the exclusions listed in par. 01103) from the Navy supply system, other military services, the Defense Logistics Agency, and the General Services Administration.

03020 FORMS

- ➔ 1. GENERAL. When ordering material using MILSTRIP, a requisition document is used which is limited to 80 characters. Because of these limitations, standard MILSTRIP codes have been established to communicate detailed information. The following requisition documents are used:
 - a. DoD Single Line Item Requisition System Document (Manual), DD Form 1348 (see par. 03100).
 - b. The DoD Issue Release/Receipt Document (IRRD), Form 1348-1A is the primary document to issue, release, and receive material. The 1348-1A may be used with or without bar codes and may be printed on laser printers:

DD FORM 1348-1A, JUL 91	ISSUE RELEASE/RECEIPT DOCUMENT	24. DOCUMENT NUMBER & SUFFIX (30-44)	25. NATIONAL SYMBOL & ADD (8-22)	26. RIC (4-6) QTY (2-3) CON CODE (7) DIST (6-8) UP (7-8)	27. ADDITIONAL DATA	1. TOTAL PRICE	2. SHIP FROM	3. SHIP TO										
1. DOC CODE	2. FROM	3. UNIT	4. QUANTITY	5. SUPPLY ADDRESS	6. DIST. BU. TION	7. PROJECT	8. PR	9. RFD	10. DOLL	11. ADV	12. RI	13. O/P	14. COM	15. UNIT PRICE	DOLLARS	CTS	4. MARK FOR	
5. DOC DATE	6. NMFC	7. FRT RATE	8. TYPE CARGO	9. PS	10. QTY. REC'D	11. UP	12. UNIT WEIGHT	13. UNIT CUBE	14. UFC	15. SL	16. FREIGHT CLASSIFICATION NOMENCLATURE	17. ITEM NOMENCLATURE	18. TY CONT	19. NO CONT	20. TOTAL WEIGHT	21. TOTAL CUBE	22. RECEIVED BY	23. DATE RECEIVED

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c. DoD Single Line Item Requisition System Document (Manual - Long Form), DD Form 1348-6. Use in requisitioning non-NSN items when the Commercial and Government Entity (CAGE) Code and part number exceed 15 digits or other item identification is applicable.

DOCUMENT IDENTIFIER			ROUTING IDENTIFIER				M & S	ITEM IDENTIFICATION* (NSN, FSCM/Part No., Other)															UNIT OF ISSUE		QUANTITY					DOCUMENT NUMBER					
								FSCM					PART NUMBER																	REQUISITIONER					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
A	Ø	E	N	D	Z	S																	E	A	Ø	Ø	Ø	Ø	1	R	5	2	1	9	2
DOCUMENT NO. (Cont.)							DATE		SERIAL		DEMAND		SUPPLEMENTARY ADDRESS			SIGNATURE	FUND CODE		DISTRIBUTION CODE		PROJECT CODE		PRIORITY	REQUIRED DELIVERY DAY OF YEAR		ADVICE CODE		BLANK							
36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69		
5	Ø	3	3	3	Ø	1	4	R	Y	N	E	B	1	3	A	N	R							Ø	6	Ø	6	3							
REJECT CODE (FOR USE BY SUPPLY SOURCE ONLY)											IDENTIFICATION DATA																								
											1. MANUFACTURER'S CODE AND PART NO. (When they exceed card columns 8 thru 22) Ø5Ø73 N3-12291-P1Ø4																								
											2. MANUFACTURER'S NAME BABCOCK & WILCOX CO., NEW YORK NY																								
3. MANUFACTURER'S CATALOG IDENTIFICATION											4. DATE (YYMMDD)					5. TECHNICAL ORDER NUMBER																			
6. TECHNICAL MANUAL NUMBER NAVY TECH MANUAL 351-ØØ48											7. NAME OF ITEM REQUESTED ELEMENT, SOOT BLOWER, UNIT A																								
8. DESCRIPTION OF ITEM REQUESTED											8a. COLOR																								
											8b. SIZE																								
9. END ITEM APPLICATION											9a. SOURCE OF SUPPLY																								
9b. MAKE					9c. MODEL NUMBER					9d. SERIES					9e. SERIAL NUMBER																				
10. REQUISITIONER (Clear text name and address) USS JOHN PAUL JONES (DDG-32) FPO AP 966Ø1 (703) 444-5555 DSN 544-5555 17518Ø4.7Ø2D/ØØØ/53824/Ø											11. REMARKS ADDL EQUIP DATA: APL Ø212ØØØØØ7, EQUIP PATTERN #12; ADDL ITEM DATA: NICN 441Ø-LL-CAS- ØØØ1 Ø6Ø957/2D/R52192/ØØ5Ø333Ø14NR																								

DD Form 1348-6, FEB 85 Edition of Apr 77 may be used until exhausted. S/N 0102-LF-013-2273

DOD SINGLE LINE ITEM REQUISITION SYSTEM DOCUMENT (MANUAL-LONG FORM)

d. Multiuse Standard Requisitioning/Issue System Document, SF 344. This form is used by GSA/civil agencies and is not shown here.

→ e. TRANSMISSION. MILSTRIP/MILSTRAP permits transmission and receipt of requisitions and related documents by electronic communication networks, telephone, and courier. Classified messages will not be routed via the Defense Automatic Addressing System (DAAS); instead, the message will be addressed directly to the intended recipient. To assure responsive and prompt processing, the media of communication used will be consistent with, and subject to, the limitations of Media and Status codes identified in Appendix 16.

03030 MANUAL REQUISITIONS

1. FORMS. A manual requisition is prepared on a DD Form 1348 or a Standard Form 344. Either form may be used depending on internal activity requirements. The original of the six part set is the requisition. The remaining copies are for internal use such as:

- a. Due-In Record File.
- b. Allotment Obligation File (priced copy).
- c. Other Internal Suspense Files.

2. WHEN TO USE MANUAL REQUISITIONS. Use manual requisitions when:

a. Facilities are not available to the requisitioning activity which enable it to electrically transmit documents in data pattern format or formatted teletype messages.

b. The requisition coding structure does not provide sufficient data to assist the supply source in making supply decisions. Use of exception data will cause delays in supply of material since each document containing such data must be withdrawn from routine processing, reviewed for the exception, and continued in process after a decision has been made as a result of the review. Activities should not attempt to use exception data as a normal method for requisitioning material requirements.

3. LIMITED USE OF EXCEPTION DATA REQUISITIONS. To enable supply sources to process requisitions in a timely manner to meet issue priority group, standard delivery dates, or required delivery dates, requisitioners should limit repetitive submission of requisitions which contain exception data - particularly those for high priority requirements. **Requisitioners should use available MILSTRIP capabilities to ensure automated processes are used to the maximum extent possible. The processing of exception data requisitions is a work intensive process that is prone to errors and generally delays required support.** Supply sources receiving requisitions with unnecessary exception data; such as: "ship by commercial air," "do not use postal system," "ship by fastest traceable means," or "ship overnight delivery," are authorized to delete such information, change the exception DI to a nonexception DI, and continue processing. Supply sources will process all requisitions under the standards of the Uniform Material Movement and Issue Priority System (UMMIPS). Within the UMMIPS time segment for transporting the material, it is the shipper's prerogative to select the mode of shipment based on time, distance, item characteristics, and economic factors. The repetitive use of the same exception ship-to address is an uneconomical way of doing business. A separate DODAAC should be assigned to the ship-to address, or the TAC 2 address of the involved activity should be changed. Activities having multiple locations should assign a separate DODAAC to each receiving location. It is incumbent upon the requisitioner to work with the applicable Service focal point to develop procedures to automatically process requisitions.

a. Authorized conditions for use of exception ship-to addresses are listed below (all will be rejected with Status Code D6:

- (1) Sales/donations/loans/issues of material to qualifying Federal, State, or Civil organizations or individuals approved by the Service Secretaries.
- (2) Issues of nuclear assets as directed by DNA to DOE contractors.
- (3) Material in Supply Condition Code L to contractors.
- (4) Issues required by national emergency or natural disasters.
- (5) Shipments of ammunition requiring special controls.
- (6) Shipments to contractors for special testing.
- (7) Requisitions from deployed Naval units with "R," or "V" in rp 30; "E," "G," or "W" in rp 40; 01, 02, or 03 in rp 60-61; and, "999" in rp 62-64.

b. Exception data will normally be limited to the following:

- (1) Non-NSN requirements which exceed the stock or part number field and/or require additional information.
- (2) Non-NSN lumber products and other commodities identified and ordered by description only.
- (3) Authorization/identification for items when such requirement is imposed by the ICP or by higher authority (e.g., Type Commander, Systems Command, etc.).
- (4) NSN items in FSCs 5510, 5520, and 5530 requiring specification data; such as, species and/or grade.
- (5) NSN requirements needing additional identifying information; for example, requisitions initially rejected with Status Code CG or CJ.
- (6) Requisitions for Navy LEVEL 1/SUBSAFE program & nuclear reactor materials.
- (7) NSN items for chemicals for boiler water and feedwater analysis.
- (8) Requisitions used to register a user with the ICP in a PICA/SICA situation.
- (9) Requisitions for Marine Corps PWR or Pre-Positioning Ships Program.

4. APPROVAL. Commanding Officer will approve, or delegate in writing to specific personnel to approve the submission of exception data requisitions.

5. DRUGS. The manual requisition will be mailed or delivered by other means to the supply source. When preparing a requisition for a narcotic or controlled drug (any item coded "R" or "K" in the Federal Supply Catalog), a copy of the requisition will be furnished to the senior member of the Local Controlled Medicinals Inventory Board.

6. PART NUMBER REQUISITIONS. For part number or other non-NSN requisitions, the following conditions apply:

a. When the requirements exceed the stock or part number field and/or require additional information, manual form DD 1348-6 will be used with DOC ID A05 or A0E.

b. When the Commercial and Government Entity for Manufacturers and Non-Manufacturers (Cage) and part number field and the item can be identified by the addition of data in rp 70-80, the form DD 1348 will be used with DOC ID A02 or A08.

03050 MESSAGE REQUISITIONS

1. GENERAL. The procedures and formats for message requisitions are outlined in paragraph 03500. A message requisition may be used when:

a. Data communication facilities are not available to permit document transmission by mechanized media.

b. The document contains exception data and/or rapid document transmission is required in accordance with the assigned priority designator.

03060 REQUISITIONS REQUIRING APPROVAL

1. GENERAL. Requisitions requiring approval of higher authority will be submitted under a letter of transmittal, via the appropriate chain of command, for approval in accordance with current instruction. The top and bottom card of the six part requisition (DD Form 1348) will be submitted to the approving authority. The approving authority will retain the bottom card copy and stamp the original card in the Remarks Block Issue "Authorized" and enter a signature of the approving authority. The approved requisition will be forwarded to the source of supply indicated in Data Block "A" of the DD Form 1348. Stock Points receiving customer requisitions (for items which require approval by higher authority) will forward the requisition directly to the approving authority. For Priorities 1-8, a narrative message may be used in obtaining approval. When directed by competent authority, requisitions requiring the approval of higher authority will be submitted directly to the approving authority via automated communications networks in lieu of the letter of transmittal method.

PART B: REQUISITION ENTRIES

03100 PREPARING DD FORM 1348 REQUISITIONS

1. ENTRY BLOCKS ON DD FORM 1348. The DD Form 1348 is a manual requisition. In addition to the record position (rp) entries described in the following subparagraphs, Data Blocks A, B, and C will be completed as follows:

- a. BLOCK A. Enter the service code and UIC, name and location to which the requisition is being submitted.
- b. BLOCK B. Enter the service code and UIC, name and address of the requisitioner.
- c. BLOCK C. At the discretion of the requisitioner, may be left blank or may include the noun name of the requisitioned item.

DOC. IDENT.	ROUT. IDENT.	M & S	FSC	NIIN	ADD	UNIT OF ISSUE	QUANTITY	SERV. REQUISITIONER	DATE	SERIAL	D E M	SUPPLEMENTARY ADDRESS	S H	FUND	DISTRIBUTION	PROJECT	PRIORITY	REQ. DEL. DATE	ADV. STAT.																																																												
SEND TO:										REQUISITION IS FROM:																																																																					
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2. DOCUMENT IDENTIFIER (rp 1-3). Every requisition must have a Document Identifier Code assigned. The first two digits will always be A0 and the third digit will be assigned in accordance with Appendix 4.

3. ROUTING IDENTIFIER (TO) (rp 4-6). Every requisition must contain the Routing Identifier Code of the supply source to whom the requisition is being sent. Routing Identifier Codes are contained in Appendix 7.

4. MEDIA AND STATUS CODE (rp 7). The Media and Status Code is a mandatory entry on all requisitions. Enter the type of status required, the activity to receive the status, and the communication media for transmitting the status. The means of transmission specified may be overridden for documents transmitted from a supply source through the Defense Automatic Addressing System (DAAS), if the addressee is serviced by a data pattern terminal. DAAS will only override to provide a faster means than specified. (Appendix 16 has Media and Status Codes definitions.)

5. STOCK NUMBER FIELD (rp 8-22). The type of entry in the stock number field has a bearing on the Document Identifier Code assigned (See Appendix 4). A requisition may contain any of the following entries in the stock number field as outlined in Appendix 8:

- a. A 13 digit National Stock Number (NSN).
- b. A 13 digit Non-NSN assigned to Overseas Dependent School System Items.
- c. A manufacturer's 5 digit identification code Commercial and Government Entity (CAGE) Code suffixed by the Manufacturer's Part Number of 10 digits or less. Non-NSN requirements which exceed this field and/or require additional information will use DIC A05 or A0E, as appropriate, and DD Form 1348-6.
- d. A Production Equipment Code, DoD Ammunition Code etc., if 15 digits or less.
- e. Special Material Identification Codes (SMIC) or Weapon System Designator Code (WSDC), if applicable, will be entered in rp 21-22. SMICs and WSDCs are Navy-unique and will not be entered in requisitions/referral orders sent to other service/agencies.

6. UNIT OF ISSUE CODE (rp 23-24). Every requisition must have a Unit of Issue assigned. Enter appropriate abbreviation from Appendix 19.

7. QUANTITY (rp 25-29).

a. Enter the total quantity. If the total quantity is less than five digits, precede the significant digits with zeros. For requirements exceeding 99,999, submit additional requisitions as necessary.

b. Intra-Navy transactions may use the following procedure. Code "M" would be used in the units field (rp 29) to indicate "thousands" when the quantity exceeds the five digit field limitation. For example, a quantity of 100,000 is expressed as "0100M." Where a residual quantity is not divisible by 1000, a second requisition will be prepared indicating the residual amount. If the quantity required exceeds 9,999M, additional requisitions will be prepared (ammunition only). This feature may be used interservice/agency by agreement only and is authorized for use in supporting MILSTRIP documentation. This procedure may also be used for ammunition requisitions on an interservice/agency basis upon agreement.

c. When an item is required to be supplied in a minimum length, size, or other special measurements and no advice code applies, specific instructions (e.g., minimum length acceptable is 10 ft.) will be entered in the "Remarks" field and Document Identifier A05 or A0E, as appropriate.

d. If the total quantity required involves two or more urgencies of need (i.e., immediate use and stock replenishment), separate requisitions will be submitted for each requirement.

8. DOCUMENT NUMBER (rp 30-43). Every requisition must be assigned a Document Number consisting of the requisitioner's Service Code in rp 30, the requisitioner's Unit Identification Code in rp 31-35, the Julian Date on which the requisition is submitted to the initial supply source in rp 36-39 and the serial number in rp 40-43. The requisitioner shall not duplicate the serial number on the same date. (The combination of service code and UIC is generally referred to as the DoD Activity Address Code (DODAAC).) (See Appendix 8 for details.)

9. DEMAND CODE ENTRIES (rp 44).

a. Inventory managers (stock points and ICPs) are financed on the basis of an annual budget. In this respect, they are normally given funds on 1 October of each year to purchase those items they expect to "sell" during that year. Thus, the inventory manager must rely totally upon the demand coding assigned by the customer (during the previous year) to project which items he must invest his replenishment dollars. Demand coding is, therefore, the most important to the customer and to the supply system which is responsible for the continual support of all customers. The inventory manager uses this coding to anticipate future demands. The fact that a customer places one code or the other on a given requisition in no way affects that requirement - the customer will receive material.

b. However, the R (Recurring) demand code will result in the inventory manager "reinvesting" his funds to replace that particular "sale." Therefore, the next time a customer "demands" the item, it can be expected to be available. If the customer enters a N (Nonrecurring) demand, the inventory manager will not reinvest his funds unless he must replace the item to cover other expected requirements. To the extent that a customer miscodes his demands (either through a honest error in judgment, or as a calculated attempt to cause additional protection for a given item), such action causes the inventory manager to invest his funds in the wrong item (or quantity); thereby denying funds for replacement of other needed items. Note that the important issue is whether or not the demand is expected to recur in the system - not necessarily from the same individual customer. Since the customer will often be unable to make that determination, the following guidelines are established.

c. The key to whether a demand is recurring or not is whether or not it is to replace a unit which has failed or is needed to reconstitute authorized shelf-stock. Every requisition must have a demand code entry. See Appendix 8 for Demand Code explanations.

NOTE: Sometimes it may necessary to create two requisitions to satisfy one requirement - one recurring, one nonrecurring. For example, if assets are below the requisition objective and an increase to the requisition objective is desired, two requisitions are required, one for the original deficiency, coded recurring; one for the amount of the increase to requisition objective, coded nonrecurring.

10. SUPPLEMENTARY ADDRESS (rp 45-50). The Supplementary Address field may be used by the requisitioner to denote that another activity is to receive material, status, or billing. When used for this purpose, rp 45 will contain the applicable Service Code and rp 46-50 will contain the Unit Identification Code of the activity to receive any of this data. This field may also be used by the requisitioner for local controls by entering a "Y" in rp 45 and any combination of alpha- numerics in rp 46-50. Although this entry will be nonsignificant to other than the originator, it will be perpetuated on all subsequent documents (see Appendix 8).

11. SIGNAL CODE (rp 51). The Signal Code, a mandatory entry on requisitions, serves a dual purpose in that it identifies the activity to receive the material and the activity to receive the billing. (See Appendix 8 for codes and meanings.)

12. FUND CODE (rp 52-53)

a. Fund Codes have been developed to properly bill an activity for material received. Master accounting records at issuing activities contain the complete accounting spread corresponding to the two digit Fund Code assigned by the requisitioner. All requisitions must contain a two digit Fund Code except those for "free issues" which are indicated by a Signal Code D or M. (See Appendix 30 and Chapter 9 for Fund Codes, their uses, and meanings.)

b. When unusual funding is involved and a two digit Fund Code is not available, the Fund Code field will contain a 99 (for non-CAB material only), the Remarks field (Blocks L through S) will contain the complete accounting spread, and the third digit of the Document Identifier will contain either an E for a CONUS requisition or a 5 for an overseas requisition to indicate Exception Data. This applies to intra-Navy requisitions. Requisitions submitted to the General Services Administration and Defense Supply Centers citing Fund Code 99 should not contain the complete accounting spread in the Remarks block - or the third digit E or 5 - unless other valid exception data is considered appropriate.

c. An additional use for the first position of the Fund Code (when Signal Code in rp 51 is C or L) is to indicate the "bill to" office. Identify the "bill to" office by using the requisitioner's Service Code in rp 30 and the billing office designator in rp 52. The fund code that's shown will always be translated to the "bill to" DODAAC Service Code (for third party billings, the Service Code of the "bill to" DODAAC may be different from the requisitioner's Service Code). Service assigned fund codes to be used with Signal Codes C and L to indicate the "bill to" office are listed in DoD 4000.25-7-S1, MILSBILLS.

13. DISTRIBUTION CODE (rp 54-56). Distribution Code entries serve a dual purpose on Navy requisitions. The first digit (rp 54) may indicate a monitoring activity and the last two digits (rp 55-56) must indicate the Cognizance Symbol. When an entry is made in rp 54, it represents a specific monitoring office that is to receive 100% supply and shipment status. This status is in addition to any status that may be provided to the Requisitioner or Supplementary Addressee in accordance with the Media and Status Code. (See Appendix 3 for a complete listing of Monitoring Activities.) The Cognizance Symbol indicates the stores account in rp 55 (either APA or NSA) and the cognizant inventory manager in rp 56. See Appendix 18 for a complete listing of Cognizance Symbols.

14. PROJECT CODE (rp 57-59). The Project Code is a mandatory entry on all Navy requisitions. They identify a specific program or project for which the material is requisitioned. (See Appendix 6 for Project Code definitions.)

15. PRIORITY DESIGNATOR (rp 60-61). Priority Designators come from a combination of the Force Activity Designator and the Urgency of Need Designator. Complete details are contained in Uniform Material Movement System and Issue Priority System (UMMIPS), OPNAVINST 4614.1 series. PDs govern requisition submission, material allocation, and depot/storage site processing. See RDD for transportation mode and shipment priority.

16. REQUIRED DELIVERY DATE (rp 62-64). When the Standard Delivery Date (SDD) is satisfactory, rp 62-64 is left blank. The SDD is the latest calendar date by which material requisitioned under a particular priority designator can normally be expected to be received by the requisitioner. The SDD is computed by adding the number of days in the applicable UMMIPS time standard to the requisition date. When a Required Delivery Date (RDD) is entered, it means an expedited transportation mode of shipment is required or specifies when material is actually required by the requisitioner. Defense Logistics Agency (DLA) policy states that any requisition without an RDD entry will be processed as an IPG III requisition. An RDD is mandatory on all requisitions for non-nuclear ordnance and sonobuoys.

a. RDD Shorter Than SDD. An RDD shorter than the established SDD may be included only when the material must be delivered to a specific point by a specific date and to meet one of the following conditions:

(1) The scheduled departure date for a ship, aircraft, or carrier will extend the Force's or Activity's area of operations making future replenishment impractical.

(2) The scheduled deployment date for an operational force which is earlier than the SDD.

(3) An emergency requirement exists for medical and disaster supplies to save life or prevent suffering and disaster.

b. Entries for RDD Shorter than SDD.

(1) Enter 999 in rp 62-64 for NMCS/PMCS/BROAD ARROW/CASREP PD 01-04 requisitions when the expedited supply of critically needed material is applicable to material required by U.S. Forces overseas and to those alerted for deployment within 30 days of the date of the requisition. 999 will be designated for shipment of material only when the following conditions are met:

(a) The requisitioning unit possesses the FAD I, II, or III, and

(b) The item(s) or equipment required is causing mission-essential equipment to be "Not Mission Capable," resulting in a casualty report in accordance with established equipment readiness information systems, or

(c) The item(s) or equipment required has been identified during maintenance or testing as necessary to prevent mission-essential material from being able to perform operational missions or tasks within five days of the requisition date.

(d) All requisitions identified for 999 will be reviewed by the Commanding Officer of the requisitioning unit, or the acting Commander in his absence, to certify compliance with prescribed criteria.

(2) Enter N in rp 62 for NMCS/PMCS/(previously NORS/ANORS) BROAD ARROW PD 01-08 requisitions which cannot meet the criteria of 999. Entries in rp 63-64 may indicate short RDD expressed in number of days from the requisition date.

(3) Enter E in rp 62 for ANMCS PD 01-08 requisitions which cannot meet the criteria of 999. Entries in rp 63-64 may indicate short RDD expressed in number of days from the requisition date.

(4) Enter 777 in rp 62-64 when expedited transportation mode of shipment is requested. Requisitions using 777 are still subject to air challenge. Examples of requisitions that may use 777 are C2 CASREPS for nondeployed ships or scheduled maintenance requisitions when an NIS situation exists. Foreign Military Sales (FMS) are exempt from use of the 777 transportation handling signal.

(5) Enter F in rp 62 for work stoppage at a depot repair facility. Entries in rp 63-64 may indicate short RDD expressed in number of days from the requisition date.

(6) Enter R in rp 62 for work stoppage at other than a depot repair facility. Entries in rp 63-64 may indicate short RDD expressed in number of days from the requisition date.

c. Entries for RDD Longer than SDD.

(1) Enter S in rp 62 when material can't be received earlier than 50 days before RDD. A Supply Activity should not hold S RDD requisitions for any additional period beyond that required for workload scheduling, routine issue processing, and shipment consolidation.

(a) This is interpreted to mean the material can be received anytime within the window of 50 (or 60) days before the RDD, but must be received by the RDD.

(b) Entry in rp 63-64 will indicate the number of months from the requisition date that the material is required expressed as 01 for 30 days, 02 for 60 days, etc.

(c) Requisitions received at a UADPS-SP activity with DODID A0_ and an S in the first position of the RDD are automatically referred by demand processing programs to the cognizant Inventory Control Point (ICP), regardless of DoD component. If the RDD is within 60 days (S01 or S02) the ICP passes the requisition to a supply activity. If the RDD is more than 60 days (S03 or above), the requisition is held at the ICP until 50 days before the RDD and then passed to a supply activity for issue processing. Thereafter, S RDDs should be processed by the supply activity based on priority and SDD time frames.

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(2) Enter X in rp 62 when the material is required not later than the RDD which is beyond the normal time standard i.e. the SDD. A Supply Activity should not hold X RDD requisitions for any additional period beyond that required for workload scheduling, routine issue processing, and shipment consolidation.

(a) This is interpreted to mean that the RDD is the latest acceptable delivery date. However, the material can be accepted anytime before the RDD.

(b) Entry in rp 63-64 indicates the number of months from the requisition date that the material is required expressed as 01 for 30 days, 02 for 60 days, etc. X RDD requisitions should be processed at the supply activity based on priority and SDD time frames.

d. Julian RDDs. RDDs with julian dates that equal or exceed the SDD are not valid and the requisition will be processed based on priority and regular SDD time frames. The validity of a julian RDD (See chart below.) may be determined by adding the maximum UMMIPS timeframes in OPNAVINST 4614.1 (series) to the requisition's date. The maximum SDDs are:

	IPG I	IPG II	IPG III
CONUS	7	11	28
OVERSEAS	13	17	98

e. Entries Applicable to Mass or Universal Cancellation. Enter 555 in rp 62-64 for material known to be required during a mass cancellation. An entry of 555 is also applicable when a ship is scheduled to be inactivated and certain materials are still required during decommissioning. When Navy requisitions are deferred by the ICP or deferral is requested by the requisitioner, the requisitioner will receive status containing Status Code BP to denote the requisition has been deferred with an estimated shipping date in rp 65-66.

→ 17. **ADVICE CODE** (rp 65-66). A requisition does not normally require an Advice Code entry. The requisitioner may use an Advice Code for conditions, which dictate that advice or restriction is applicable to the items being requisitioned. (Advice Codes are identified in Appendix 1.) Requisitioner must use one of the 5_ series advice codes when requisitioning Mandatory Turn-in Repairable material. (See Chapter 8 Part C for additional information on requisitioning Mandatory Turn-in Repairable items.)

18. **REMARKS FIELD**. The requisitioner may use the Remarks blocks only if "exception" data is pertinent to the processing of the requisition. When using pertinent exception data, the requisitioner will insure that the third digit of the Document Identifier contains an E for CONUS requests, or a 5 for overseas requests. Use of exception data can cause delays in supply of material since each document containing such data must be withdrawn from routine processing, reviewed for the exception, and continued in process after a decision has been made. Exception data should be limited to the conditions listed in paragraph 03030. The following policies apply:

a. When requisitions containing exception data in the Remarks field are mailed, the envelopes will be conspicuously marked "MILSTRIP EXCEPTION DATA REQUISITIONS."

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b. Activities receiving requisitions containing "exception" data have the responsibility of reviewing it for relevancy. Extraneous data will be deleted prior to processing. Exception data which request shipment via fastest traceable means or shipment via a specific mode are not considered valid exception data and will be deleted. If all "exception" data is deleted, the Document Identifier shall reflect other than an E or 5 in rp 3. This paragraph is not meant to exclude valid special shipping instructions (from the remarks field) when justified by operational requirements.

c. Requisitions submitted to the General Services Administration and Defense Supply Centers should not contain data entries in rp 67-80. Entries in these columns result in rejection of the requisitions during computer validation routines and result in manual processing. This delays issue of material.

03110 SUBMITTING REQUISITIONS AND RELATED DOCUMENTS

1. FREQUENCY. Frequency of submitting requisitions is the sole prerogative of the requisitioner and, except for subsistence items, the distribution systems will not prescribe scheduling. Requisitions will be submitted when necessary to meet requirements for stock or for immediate use.

2. LEADTIME. Requisition Submission Time is the period of time which extends from the date of the requisition to the date of receipt by the initial wholesale supply source (i.e., inventory control point, stock point) which maintains any asset availability records for purpose of filling or referring material demands.

a. Date of Requisition (as shown in the Requisition Document Number field) will indicate the actual date of transmittal from the requisitioner to the initial supply source. If requisitions are predated to facilitate local processing, the Requisition Date will be amended (if necessary) to reflect the true date of transmittal.

b. Time consumed by review/approval of control offices, which are intermediaries between the requisitioner and the initial supply source, is counted in the time standard for this segment.

3. DI A0E/A05. Requisitions with DOC ID A0E or A05 will be transmitted by methods other than data pattern card format (punched card). When these requisitions are mailed, the envelope will be conspicuously marked "MILSTRIP EXCEPTION DATA REQUISITIONS."

4. DI AF. DI AF follow-ups and AC_ cancellations on A0E and A05 requisitions do not include exception data. DI AT_ follow-ups and AM_ modifier documents include the exception data.

5. REQUISITIONING EXCESS. Requisitions for excess items advertised by the Defense Reutilization and Marketing Office (DRMO) and located in Defense Reutilization and Marketing Service (DRMS) activities will be submitted directly to DRMO via DAAS. Such requisitions will contain Advice Code "2M" (Fill or Kill) and the two position condition code (rp 21-22) as indicated in the DRMO excess listing or other form of advertisement. The two position condition code will not be required when separate arrangements have been made with DRMO concerning the condition of material acceptable to the requisitioner.

03120 NMCS, PMCS AND ANMCS REQUISITIONS

1. GENERAL. NMCS, PMCS, and ANMCS requisitions are submitted only for the quantities needed to return the mission essential system or equipment to mission capable/operationally ready. They are also submitted when the items are not available in RFI condition at the supporting activity. NMCS/PMCS/ANMCS requisitions are prepared with special coding in the RDD field when the following conditions exist/are anticipated: equipment deadlined for parts, aircraft out of commission for parts, engine out of commission for parts, ship's capability impaired for parts, etc. Commanders will approve or delegate in writing the authority to approve all NMCS/PMCS/ANMCS requisitions, and submit the requisitions by the most expeditious means.

03130 PWRMS REQUISITIONS

1. GENERAL. Requisitions for the initial fill of Prepositioned War Reserve Material Stock (PWRMS) consumable item requirements will be prepared with Demand Code 0 in rp 44 and Project Code 3AA in rp 57-59. They may be prepared as "funded" or "unfunded" requisitions except that unfunded requisitions are not to be submitted to the General Services Administration (GSA) by DoD activities. Replenishment PWRMS requisitions will contain project code 3PR.

2. FUNDED REQUISITIONS. Funded requisitions for PWRMS requirements will contain a signal code (other than D or M in rp 51) and appropriate fund code entries in rp 52-53. Normally, funded requisitions for PWRMS requirements will contain only Priority Designators (PDs) 11, 12, 13, 14, or 15, except that PDs 01, 02, or 03, may be entered when an overriding, operational situation justifies immediate supply support.

03140 REQUISITIONS FOR ISSUE OF SERVICE-OWNED, SINGLE MANAGER FOR CONVENTIONAL AMMUNITION (SMCA) MANAGED ITEMS BELOW ESTABLISHED STOCK RESERVATION LEVELS

1. GENERAL. Service owners of SMCA managed items may grant authority to the SMCA ICP to issue assets below all established stock reservation levels. This authority will be conveyed to the SMCA ICP on-line by the service owners with Advice Code 2S entered in rp 65-66 of the requisition or referral order.

PART C: ADDITIONAL REQUISITIONING INFORMATION**03200 USE OF OTHER SUPPLY OFFICER (OSO) FUND CODES BY DEPENDENT ACTIVITIES**

1. GENERAL. When the assignment of the supply support responsibilities for a dependent activity is divided and the requisition is to be submitted to a supply support activity other than the one performing allotment accounting, the following procedures will be followed:
 - a. Use a six part DD Form 1348.
 - b. Assign the appropriate Fund Code for OSO transfer (Code 28, 29, or 30) to the requisition; enter the Service Code/Unit Identification Code of the allotment accounting activity in the Supplementary Address field (rp 45-50); and insert Signal Code B in rp 51.
 - c. Insert end-use accounting information, which may be either a locally assigned Fund Code or Job Order number, on the red and yellow flimsy copies and forward those two copies to the allotment accounting activity.
 - d. The allotment accounting activity will use the red flimsy copy as the obligation copy and the yellow flimsy copy will be filed in a suspense file for use as expenditure document upon receipt of the advance accounting copy or advance financial detail card from the issuing activity. The value of the material will be simultaneously processed on the Financial Inventory Report as an OSO transfer (FIR Code F5) and an issue (FIR Code JI, KI or KC).
 - e. Under no circumstances will the above "money value only" transactions be Transaction Item Reported to the Inventory Manager.

03220 REQUISITIONING LUMBER PRODUCTS

1. GENERAL. Lumber products not excluded from provision of MILSTRIP may be requisitioned using MILSTRIP requisitions in place of Military Interdepartmental Purchase Requests.
2. GUIDELINES. The following guidelines are used in MILSTRIP ordering Federal Supply Group 55 items (Lumber, Millwork, Plywood and Veneer) from GSA/DLA.
 - a. Each stock numbered item has been assigned an Acquisition Action Code (AAC) at GSA/DLA based on annual demand. Items with less than \$10,000 have been assigned Code L or G. Items with annual demands of \$10,000 or more have been assigned Code H or J.
 - b. For centralized procurement, all requirements for wood products which are assigned Supply Status Code (SSC) 3 (i.e., AAC J) will be ordered through the Defense Construction Supply Center (DCSC). Contract administration and responsibility for quality assurance are assigned to the Defense Contract Administration Services Regions (DCASRs)/Contract Administration Offices (CAOs). Wood products (ordered through a competitive bidders' system and contractors) will be shipped directly from the plant or mill to the ordering activity. The only exception to this is that local purchase authority is optional when the line item dollar value of the requirement is \$2,500 or less.

c. An activity may locally purchase wood products which are assigned SSC 2/AAC L. The activity may purchase any quantity of wood products as required within the authorized limit of their local purchase authority. The activity may then invite bids or negotiate a contract, when applicable, with local contractors for the order. If the products are not available locally, the activity should submit a funded MILSTRIP requisition citing Advice Code 2A to DCSC requesting procurement action.

d. Those lumber items stocked by GSA for civil agency customers and supplied to DoD customers upon demand will continue to be requisitioned from the appropriate GSA region.

3. DAAS ROUTING. DAAS will continue to route all MILSTRIP lumber requisitions to the GSA region nearest to the requisitioner for all items with a Source of Supply Code S9C... whether or not the requisition contains Advice Code 2A.

4. FUNDING. Normal interfund billing procedures will be done applicable to the fund codes entered in the requisition.

5. FORMS. Non-NSN items identified and requisitioned by description only will be requisitioned on DD Form 1348-6, citing DIC A05 or A0E. NSN items in FSC 5510, 5520 and 5530 requiring specification data, i.e., species/grade will be requisitioned using DD Form 1348 or SF 344 with DI Code A05 or A0E.

03230 SPECIAL GSA PROCEDURES

1. USING ADVICE CODE 2A

a. A requisition submitted to GSA with Advice Code 2A (item not available locally) will be processed regardless of possible excessive transportation costs.

b. A requisition submitted to GSA without Advice Code 2A for an item valued at \$25 or less will be canceled (with Status Code CW) if, at time of shipment, transportation cost in excess of 50% of the item value would be incurred in shipping the order. GSA will notify the ordering activity when this condition exists and the requisitioner should attempt to procure the item locally. If local procurement cannot be effected, a new requisition should be submitted with Advice Code 2A. In response, GSA will supply the item regardless of transportation costs.

c. Military Assistance Program (MAP), Grant Aid, and Foreign Military Sales (FMS) requisitions under these procedures will not be returned for local procurement.

2. REQUEST FOR WAIVERS

a. When an item or service provided by GSA stock, Federal Supply Schedules, or the GSA-managed NSN special order program will not serve the required functional end-use purpose, a request for waiver of the requirement to use a GSA supply source shall be submitted to GSA. The waiver process protects the integrity of competitive bidding for government-wide contracts and makes it possible to monitor requirements for items not currently available from GSA. This is in accordance with GSA policy as stated in FPMR Temporary Regulation E-82. Personal preference, subjective evaluation and lower cost are not sufficient justification for waiver procurement.

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b. All requests for waiver shall be submitted to the Commissioner (F), Federal Supply Service, General Services Administration, Washington, DC 20406. Requests containing all necessary information and properly justified will be granted. Requests for waiver shall contain the following information:

(1) A complete description of the item requested. Descriptive literature, such as cuts, illustrations, drawings, and brochures, which show the characteristics or construction of the item or explain its operation shall be provided wherever possible.

(2) The noun description, including the specific common name and the national stock number and/or schedule item number, when available, of the GSA item being compared.

(3) A comparison of price and pertinent technical differences between the item requested and the GSA item, including statements covering the inadequacies of the GSA item in performing required functions, and the advantages (such as technical, economic, or other) of the item requested.

(4) The quantity required. State whether the demand is recurrent (if so, include estimated annual usage), nonrecurrent, or unpredictable.

(5) The name, telephone number, and location of the person to be contacted when questions arise concerning the request.

(6) Any other pertinent data.

03240 REQUISITIONING SUBSISTENCE ITEMS

1. GENERAL. Requisitions for perishable and nonperishable subsistence will be prepared in accordance with the following special instructions:

a. All Subsistence requisitions will contain the applicable Type of Pack Code in rp 21. (See Appendix 8 for codes.)

b. All subsistence requisitions will contain a specific RDD (day of year format) in record positions 62-64.

c. Brand Name Resale Item requisitions will contain DIC A04 or A0D in rp 1-3.

d. Brand Name Resale Item Identification Numbers will be entered in rp 8-20 as prescribed in Appendix 8.

e. To accommodate a condition peculiar to Brand Name Resale Subsistence requisitioned by/for overseas activities, Advice Code 2C will be entered in rp 65-66. This conveys advice to the source of supply to fill or kill an unfilled quantity which cannot be delivered (overseas) within 30 days after the RDD. To implement, the source of supply will contact the vendor to determine if shipment has been made when the item has not been received at the transshipment depot by the contract delivery date plus 15 days. If shipment has not occurred, procurement/requisition cancellation action will be initiated by the supply source and the customer will be furnished supply status. If shipment has been made by the vendor, cancellation of the procurement cannot be effected. Such shipments which cannot be shipped to arrive at the overseas destination within 30 days after the RDD will be put in stock by the transshipment depot to fill future requirements. The supply source will furnish the customer rejection status.

2. For subsistence, the RDD in record positions 62-64 is a mandatory entry on all requisitions. The assigned PD prescribes the precedence of internal supply processing actions for requisitions reflecting identical RDDs. To ensure delivery on the RDD, the ICP/depot may bank the requisitions until the correct processing date, computed by subtracting the number of days needed for depot processing and transit time from the RDD. All requisitions will be submitted in accordance with schedules established by the ICP.

a. When RDDs extend beyond order/ship times established by the ICP (for MREs and other ration items), paragraph 03100.6.B, above, will apply.

b. Expedited handling signal 999 and other NMCS conditions cited in succeeding paragraphs take precedence over specific RDD requirements.

c. During mass/universal cancellation situations, provisions of chapter 2 take precedence over specific RDD requirements.

d. Provisions for work stoppage conditions do not apply to subsistence.

03250 REQUISITIONING DoD EXCESS PERSONAL PROPERTY FROM DRMS

1. GENERAL. DoD activities and, under certain circumstances, authorized Federal Civil Agencies are authorized to requisition excess personal property through the Defense Reutilization and Marketing Service (DRMS) or directly from a Defense Reutilization and Marketing Office (DRMO). Activities will request, through an accountable supply officer, only that property which is authorized by parent headquarters or command; they will not request quantities of property which exceed authorized retention quantities. Each military service/agency will furnish DRMS the federal condition codes that are arpeptable in relation to the supply condition code being requisitioned.

a. Excess property reused by requisition from a Navy activity will be subject to normal custody and inventory control procedures. If material is to be picked up from the DRMO, there must be a proper division of functional responsibilities, i.e., the person picking up the property should not be the same person accounting for the property.

b. Installation central supply offices must distribute confirmation copies of requisitions to the gaining activities' accountable property officials. The requisitioning of excess material will only be allowed to meet the requesting units need and shall not be redistributed further except by documented transfer.

2. DRMS PROCEDURES. The DRMS maintains the Integrated Disposal Management System (IDMS), a standardized and centralized control and accounting system for all excess and surplus personal property located in the DRMOs and provides visibility of such property through a variety of utilization screening procedures. (See DoD 4160.21-M, Defense Reutilization and Marketing Manual, for utilization policy and procedures.)

3. REQUISITIONING PROCEDURES. Requisitions from DoD activities for excess personal property may be:

- a. Routed via the Defense Automatic Addressing System (DAAS) to the DRMS for processing.
- b. Hand carried to the DRMO for property previously selected, scheduled for pickup or required as a result of screening at the DRMO and will be prepared on a Form 1348-1A.
- c. Activities or units unable to submit requisitions through AUTODIN may forward them directly to DRMS by mail or by narrative message, but it should be understood that this is not the standard procedure and should be discontinued as soon as they're able to use AUTODIN.

4. REQUISITION FORMAT. Requisitions to DRMS will contain the following:

- a. DRMS RIC S9D in rp 4-6.
- b. Alpha Codes K, L, R, or S in rp 40, if applicable.
- c. Signal Code D or M in rp 51 to denote free issue.
- d. Advice Code 2J (fill or kill) in rp 65-66 or blank, as appropriate. If rp 65-66 is blank and requested material is not available, DRMS will place the requisition on the requisition retention file for 60 days and furnish Supply Status Code B1. If all of the requested material does not become available during the 60 day retention period, the remaining unfilled quantity will be canceled using Status Code D1.
- e. Appropriate supply condition code in rp 71.
- f. For a specific item, the requisitions will contain the Disposal Turn-In Document (DTID) number or Excess Report Number (ERN) in rp 67-80 (DTID suffix, if applicable, in rp 21). For nonstock numbered items, the DI will be A0D or A04. DRMS will select the requested item for issue or provide supply status if not available.
- g. All requisitions for small arms will be submitted under provisions of paragraph 03255. Packing, Crating, Handling, and Transportation (PCH&T) charges will be in accordance with DoD Regulation 4100.37, Retention and Transfer of Material Assets.

5. DAAS ROUTING OF TRANSACTIONS. DAAS will route transactions containing an NSN as follows:

- a. A0_ documents containing DRMS RIC S9D in rp 4-6 to DRMS.
- b. A0_ documents not containing S9D but contain Alpha Codes K, L, R, or S in rp 40 to DRMS.
- c. A0_ documents not containing either S9D or Alpha Codes K, L, R, or S will be routed according to established source of supply rules.
- d. DAAS will provide AE9 supply status with BM transaction status code.

6. DAAS ROUTING OF PART NUMBERED TRANSACTIONS. Requisitions with DI A0B/A02 and RIC S9D will be processed by DAAS to obtain a NSN. If a NSN is found for the part number, DAAS will change the DI to A0A or A01 and pass the requisitions with the NSN to DRMS. DAAS will provide AE9 supply status with BG transaction status code. If a NSN is not found, DAAS will reject the requisition.

7. DRMS ACTIONS UPON RECEIPT OF REQUISITION

a. Upon receipt of the requisition, the DRMS will transmit a Material Release Order (MRO), DI A5_ Form 1348-1A, to the DRMO. In instances where a specific item has been requisitioned, the DTID or excess report number will be perpetuated on the MRO as exception data (DI A53).

b. MROs received by a DRMO from DRMS will be confirmed or denied. Material Release Confirmation (MRC) will be prepared in the DI AR format shown in Appendix 28. Material Release Denials (MRDs) will be prepared by the DRMO as notification of a negative action on the MRO. MRD format, DI A6_, is displayed in Appendix 28. Responses by DRMOs to follow-ups (DI AF6) will be made using the MRC with DI AR0, MRD with DI A6_; or the supply status card with DI AE6. Single line cancellation requests or requisition modifier documents will be processed by DRMS if the MRO has not been transmitted to the DRMO, or if the requisition is on the requisition retention file. No mass cancellation requests will be processed by DRMS.

c. When the DRMO issues material as a result of Form 1348-1A being hand carried to the DRMO, an MRC, DI AR0, is prepared in the format of Appendix 28 and transmitted to DRMS.

d. The DRMS will respond to follow-ups iaw the procedures established in Chapter 2.

e. Material will be shipped from DRMOs to authorized requisitioners in accordance with established MILSTRIP procedures.

f. Requisitioner requests for modification, cancellation, or follow-ups to DRMS will be in accordance with the procedures in Chapter 2 of this manual.

03260 PROCESSING OSO RECEIPTS REQUIRED FOR END-USE EXPENDITURE

1. GENERAL. Requisitioning citing Fund Codes that indicate a transfer between accountable activities (OSO transfer) for subsequent expenditure to end-use are considered as DTO (Direct Turn Over) transactions. Upon receipt of the summary invoice for DTO to a dependent activity/customer, the accountable consignee will forward the summary to the Financial Inventory Control Section. The summary, after attachment of the obligation document, will be processed simultaneously as a receipt (FIR Code F5) and as an issue (FIR Code J1, K1, or KD). Under no circumstances will the above "money value only" transaction be reported to the inventory manager.

2. When end-use requirements have been otherwise satisfied and cancellation cannot be effected, or an ICP (Inventory Control Point) directs diversion to stock, the procuring stock point will blank the end use fund code on all documentation before processing as follows:

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- a. Update the cross-reference billing file by indicating material is to be diverted to stock, the Supplementary Address field changed to the stock point's UIC, and the Signal Code changed to "B" if required.
- b. Upon receipt of the DTO (Direct Turn Over) summary, process an OSO receipt (FIR Code F5) and corresponding expenditure (FIR Code N4).
- c. If the requisition directs shipment to the ultimate consignee, follow-up action will be taken to assure that material is redirected to the referring activity for take up into stock as FIR Code B1.
- d. If material is received directly by the referring activity, it will also be taken up into stock as FIR Code B1.

03265 REQUISITIONS FOR MATERIAL SUPPLIED THROUGH THE CONTRACTOR OPERATED PARTS DEPOT (COPAD)

1. GENERAL. COPAD handles those difficult requirements (both NSN and non-NSN) for vehicular support (i.e., administrative vehicles, commercial construction equipment and materials handling equipment). Only those requirements which cannot be readily found or bought locally and are not federally stocked are eligible for COPAD.
2. MILSTRIP requisitions should be submitted to S9C (DCSC Columbus, OH). Each COPAD requisition must be coded Project JZO (administrative vehicles), JZM (materials handling equipment), or JZC (commercial construction equipment). For non-NSN requirements, a Commercial and Government Entity for Manufacturers (CAGE) Code and a correct part number are both required. The CAGE Code should identify the manufacturer who assigned the part number.
3. On A02/A0B requisitions, customers should use rp 71-80 to provide noun nomenclature of the requisitioned part number. This information may help COPAD identify a part which would otherwise be canceled.
4. On A05/A0E requisitions, customers should provide all descriptive data possible to help identify the requirement. This includes complete description, end item application, technical manual reference, and any other information to assist in identification.
5. Do not add, delete, or change part number symbols such as "/" or "*" which are integral pieces of the part number. Any changes can result in cancellation of the requisition or receipt of the wrong part.
6. Submit A0E/A05 requisition (DD Form 1348-6) for all non-NSN items having over 10 characters in the part number. Provide the CAGE Code in rp 8-12 and as much of the part number as possible in positions 13 through 22. Record the CAGE Code and the entire part number in Block 1 of the identification data portion.

7. Always include the symbol for right (R) and left (L) after the part number where appropriate (e.g., doors, fenders).
8. Use Advice Code 2B (do not substitute) and 2D (furnish exact quantity) only when absolutely necessary. If the contractor is restricted to supplying only the requested part (and not a commercially acceptable substitute), his ability to respond quickly is severely limited. The COPAD contractor is also allowed to increase the quantity ordered to the standard commercial quantity per unit pack.
9. Supply Assistance and follow-up should be used with discretion. Customer should wait at least 10 days after receipt of BD status before following up on a COPAD requisition. This time is needed to process the purchase request, issue and receive a confirmed award from the contractor, and transmit BZ status to the customer. Premature follow-up actions delay processing.
10. A technical Guide for COPAD can be obtained from the Commander, Defense Construction Supply Center (Attn: DCSC-L), Box 3990, Columbus, OH 43216-5000. Telephone - A/V: 850-2201, Commercial: 614-238-2201.

03270 REQUISITIONING PUBLICATIONS

1. GENERAL. Publications are free of charge. Publications are supply items and all requests for them (including Rate Training Manuals) must be routed through your activity supply department for review and submission to Navy Publications and Forms Directorate of the Naval Inventory Control Point Philadelphia (NPFC).
2. FORMAT. All requests for publications must be in full MILSTRIP format and should be submitted to the maximum extent possible. Especially important is the assignment of the supplementary address which allows proper distribution of material within a command. NAVSUP Pub 2002, NSN 0525-LP-004-0100, lists the stock numbers and all other pertinent information on publications available through NPFC. The introduction of NAVSUP Pub 2002 provides all the necessary ordering information and procedures.
3. NEED. Activities should review their internal procedures for ordering publications to ensure only those publications actually needed are ordered and requests are forwarded through the trained personnel in the supply department.

03275 AVIATION FUELS AND LUBRICANTS

1. MILSTRIP's ROLE. While fuels are not normally addressed under MILSTRIP, it is necessary to use MILSTRIP type document numbers to ensure that financial offices can properly bill for fuel into plane. NAVSUP Pub 485, paragraph 3332, outlines the responsibilities of the issuing activity, the pilot, the operations officer, and the supply officer. All activities responsible for the preparation of flight packets must prepare issue documents IAW NAVSUP Pub 485 and construct the serial numbers in record positions 40-43 as follows:

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a. The serial number on Navy aircraft will always be the last four digits of preprinted serial number on the AVFUELS Issue SLIP (DD Form 1898).

b. Serial numbers used for other DoD aircraft will always be the last four digits of the tail number of the aircraft being refueled.

2. It is essential that the required structures are used to permit accounting activities to liquidate obligations.

03280 REQUISITIONING GOVERNMENT FURNISHED MATERIAL (GFM) BY OR FOR CONTRACTORS

1. GENERAL. This paragraph prescribes procedures for requisitioning GFM by or for contractors from the Navy Supply System. These procedures establish guidelines to Requisitioners and authorized contractors to obtain GFM from DoD inventories to support contract requirements.

a. Any attempt to circumvent GFM validation requirements is sufficient cause to refer violation to the appropriate criminal investigating activity to determine possible fraud, waste, and abuse. Violation referrals to criminal investigating activities will be made by the sponsoring Service or monitoring MCA based upon reports of rejected transactions or violations discovered during the post validation process.

b. These procedures apply to all contracts and all Service/Agency activities requisitioning GFM from DoD supply sources. The production of ammunition is excluded from GFM control. When the signal and fund codes on a contractor requisition indicate the issue will be with contractor reimbursement, GFM restrictions will not apply.

2. REQUISITIONS. GFM requisitions will contain the following specific data:

a. Document identifier Codes (DIs) A01, A02, A04, A05, A0A, A0B, A0D, A0E, A3_, and A4_ will be in rp 1-3, as appropriate.

b. The RIC identifying the appropriate MCA monitoring the contract will be cited in rp 4-6.

c. For contractor generated requisitions, insert the contractor DoDAAC in rp 30-35 (Service Code Q (rp 30) and Unit Identification Code (UIC) (rp 31-35) to identify the requisitioner as a Navy contractor.

d. For Service/Agency generated requisitions, insert the appropriate contractor DoDAAC (Service Code (Q) and UIC) in rp 45-50.

e. In all cases Signal Code A, B, J, or K, as applicable, shall be inserted in rp 51 and the appropriate Fund Code as listed in Appendix 30, Part C, Section II, Schedule No. 6, inserted in rp 52-53.

f. The call order number in rp 69-72, when applicable.

g. The last eight positions of the Procurement Instrument Identification Number (PIIN) in rp 73-80. At the option of the Service/Agency, a three character Manufacturer Directive number (MDN) in rp 54-56 may be used in lieu of the PIIN in rp 73-80. Navy will not be using this option; the PIIN will be a mandatory entry in all cases.

h. GFM non-NSN requisitions will be identified with an E in rp 68; the call order number, if appropriate, in rp 69-72; and the PIIN in rp 73-80.

03285 PREPARING AND SUBMITTING REQUISITION AND RELATED TRANSACTIONS FOR GOVERNMENT PROVIDED MATERIAL (GFM)

1. PROCEDURES. DD Forms 1348 requisitioning material to be issued as GFM under Navy contracts directly chargeable to fund cited in a MIPR received from another DoD department or outside agency will contain the following specific data:

- a. Unit Identification Code of the requisitioning activity, e.g., 00024 (NAVSHIPS) will always be entered in rp 31-35.
- b. Signal Code L will be cited in rp 51.
- c. Fund Code A7 will be cited in rp 52-53.
- d. The contractor consignee will be identified in rp 45-50.
- e. The "Remarks" block will contain the MIPR's "Bill to" activity and the MIPR number.

2. SUBMISSION OF REQUISITIONS AND MODIFIER TRANSACTIONS.

a. MCA. It is mandatory that GFM requisitions be forwarded regardless of origin, i.e., contractor or Service/Agency, to the appropriate Service/Agency MCA for validation. After validation by the MCA, the approved requisition will be forwarded to the Inventory Control Point (ICP). If the MCA and the ICP are collocated, internal passing of transactions is authorized. If the MCA and ICP aren't collocated, the transmission should be via DAAS, where practical.

b. RIC. Each Navy Management Control Activity (MCA) has been assigned a unique Routing Identifier Code (RIC) to work in concert with the Distribution Codes assigned to each of the Systems Commands and the Navy Inventory Control Points (ICPs).

c. MODIFIERS. Modifier Transactions are authorized for GFM requisitions only to modify the project code, priority designator, advice codes, and the requested delivery date. Modifier documents may be used to change the supplementary address to a contractor's supplementary address. Modifier documents are subject to GFM controls and validation procedures.

d. RECORDS. MCAs will be responsible for providing Rejection Status for requisitions processed. Supply sources will be responsible for maintaining and providing current supply and shipment status as provided below. For these purposes, accessible requisition history records will be maintained by MCAs and supply sources for a minimum of six (6) months after completion of shipment or cancellation. This will help to provide timely responses to follow-ups. MCAs will also maintain requisition history records indexed by Procurement Instrument Identification Number (PIIN) until contract termination. In addition, the MCA will generate reports as required by DoDI 4140.48, "Control of Access to DoD Material Inventories Required by Defense Contracts (P&L)".

03290 REQUISITIONING/ISSUE PROCEDURES FOR NON-NUCLEAR AMMUNITION AND SONOBOUYS

1. GENERAL. Guidance for requisitioning non-nuclear ammunition and sonobuoys is not addressed in this volume. The current publications on expendable ordnance, NAVSEAINST 8015.1 (series) and NAVICP MECHINST 8010.12 (series), provide guidance unique to ammunition and sonobuoys. No ammunition or explosive assembly shall be used in any gun or equipment for which it is not designated. Nor shall any explosive or pyrotechnic device be manufactured, purchased, or assembled for displays, demonstrations, tests, or for any other purposes unless authorized by NAVSEASYSKOM.

03293 REQUISITIONING CONVENTIONAL SMALL ARMS FROM DISPOSAL

1. CRITERIA. Conventional arms as identified in DoD Instruction 4140.35 and DoD Directive 5100.76 include: hand guns; shoulder fired weapons; light automatic weapons up to and including .50 caliber machine guns; recoilless rifles up to and including 106mm; mortars up to and including 81mm rocket launchers, man portable; grenade launchers, rifle and shoulder fired; individual operated weapons which are portable and/or can be fired without special mounts of firing devices and which have potential use in terrorist or in civil disturbances activities and are vulnerable to theft. This will include all weapons meeting this criteria regardless of origin including foreign, commercial, and nonappropriated funds weapons as well as museum pieces, regardless of whether or not the weapons have a National Stock Number (NSN).

2. FSC. Small arms will generally fall into one of the following Federal Supply Classes (FSCs): 1005, 1010, 1015, 1025, 1040, 1055, 1090 and 1095. However, this list is not to be considered all inclusive. Any weapon meeting the general guidelines of a small arms weapon will be treated accordingly regardless of the FSC.

3. REQUISITION DATA. All DoD requisitions for small arms will be submitted by an accountable supply officer to the CONUS Inventory Manager (IM). Requisitions must include the following exception data: Turn-In Document Number/Excess Report Number, as appropriate, and PCH&T citations. Such requisitions received directly by the DPDS or the DPDO will be rejected to the requisitioning activity. Requisitions approved by the IM will be mailed to DRMS, Battle Creek, MI, Attn: DRMS-U.

03297 RELEASE OF WAR RESERVE MATERIAL (WRM) IN A CONTINGENCY OR WARTIME SITUATION

1. GENERAL. CNO will authorize release of WRM by a NAVOP message. Depending on the situation, the message will authorize the release of specific projects or all projects. Authorization for release has the effect of removing issue restrictions from the material, but does not result in issue of material. MILSTRIP requisitions submitted by commands or activities requiring the WRM will be used to requisition WRM. Preposition War Reserve Material Project Codes listed in **Appendix 6** (Group IV) will be used as designated by each command.

PART D: REQUISITION MONITORING**03300 REQUISITION MONITORING**

1. GENERAL. From the date of submission of a requisition until receipt of the material, monitoring actions are necessary. There are options for modifiers, follow-ups, and cancellations as well as receipt of status. The period of requisition monitoring, with time frames for specific actions, is outlined in this Part.

03310 MAINTAINING MATERIAL OUTSTANDING FILES

1. GENERAL. Due to the wide variance in automated capability of Navy activities, maintenance of material outstanding files will vary by local capabilities. Whether paper copies or computer records are used, material outstanding file guidance is as follows:

a. The requisition record will be maintained in date order by document number sequence. Requisitioners will ensure that all status and material receipts are expeditiously processed to the requisition record.

b. When requisitions are rejected by the supply source for incorrect entries, the original requisition will be removed from the file for research and resolution of errors.

(1) Requisitions are rejected by a supply source when the requisition cannot be processed due to technical errors. A rejection of a requisition will contain a status code in rp 65-66 providing the reason for rejection.

(2) The Defense Automatic Addressing System (DAAS) also may reject erroneous requisitions when that activity's programs cannot read the document. (See Chapter 8 for DAAS processing rules.)

(3) A rejected requisition will be researched to determine the problems/errors involved. After resolution of the problems/errors, the requirement will be re-requisitioned using a new document number.

c. When status is received that an item has been backordered by the supply source, the record will be moved to a backorder file in document number sequence.

(1) Requisitions moved to the backorder file require ongoing review. As the requisition remains on backorder or otherwise becomes aged, two conditions may occur.

(a) Changing requirements may dictate the item is no longer needed and the requisition should be canceled to free funds for other more urgent uses.

(b) The requisition will become subject to the cyclic Material Obligation Validation (MOV) process.

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(2) We recommend that all requisitioners develop an internal program which will regularly review outstanding requirements; it should cancel requisitions that exceed the requisition objective or allowance, or are no longer required. This program shall be automated where possible. Requisitioners shall perform this validation by comparing outstanding requisitions to known requirements (local history records, allowance levels, and requisitioning objectives). This routine validation of outstanding backordered requisitions will be considered as a basic preparatory action for the quarterly Inventory Control Point (ICP) validation. Validations will include:

(a) Not Mission Capable Supply (NMCS)/Partial Mission Capable Supply (PMCS) and Casualty Reports (CASREP) on a weekly basis.

(b) All outstanding Awaiting Parts (AWP) and Issue Group One Requirements on a monthly basis.

(c) Director Turnover (DTO) requirements (less NMCS/PMCS, CASREP, AWP and issue Group One) and stock requisitions on a quarterly basis.

(d) When material is received, the requisitioning action is completed and the record will be moved to a completed file.

(1) Receipt take-up time standards for the requisitioner are:

Priority Designators	Time (Calendar Days)
01-03	1
04-08	1
09-15	3

03320 REQUISITION MODIFICATION

1. WHEN. A requisition modifier may be initiated by the requisitioner, supplementary addressee, monitoring office, or ICP to modify previously submitted requisitions when:

a. Force/Activity Designators are upgraded or downgraded upon implementation of contingency plans or for other reasons.

b. Urgency of need has changed.

(1) Required dates for previously requisitioned material change due to unplanned or unforeseen emergencies. Emergencies include declared national and local emergencies created for lack of material required for:

(a) performance of assigned operational missions or tasks,

(b) emergency repairs to primary weapons and equipment,

(c) prevention of work stoppage at industrial/production activities engaged in repair, modification, or manufacture of primary weapons, equipment and supplies.

(2) When emergency situations described above no longer exist, requisition priorities will be downgraded and RDDs extended.

c. For requisitions already in process, which are identified for continued document and/or shipment processing during mass cancellation situations, Document Modifiers (DI Code AM_) will be submitted at the earliest possible date and will contain an expected handling signal "555" in the RDD data field, rp 62-64.

2. RECORD POSITIONS. The requisition modifier document will be prepared by originating activities completing all prescribed data element entries for a requisition, using the DI Code AM_ series.

a. The requisition modifier document may be used to change/modify the following fields in an original requisition document:

rp 7	Media and Status Codes
rp 45-50	Supplementary Address
rp 51	Signal Code
rp 52-53	Fund Code
rp 54-56	Distribution Code
rp 57-59	Project Code
rp 60-61	Priority
rp 62-64	Required Delivery Date
rp 65-66	Advice Code

b. For FMS requisitions, entries may also reflect changes to the Country FMS Offer/Release Option Code and/or Freight Forwarder Code.

c. When the Project Code (rp 57-59) or the Required Delivery Date (rp 62-64), or the Advice Code (rp 65-66) of the DI Code AM_ is blank, these fields of the original requisition will be modified.

3. NOTIFICATION OF ACTION. The activity initiating a requisition modifier document will be responsible for providing notification of such action to other interested activities. A requisition modifier will be transmitted to the last source holding the requisition.

03330 FOLLOW-UP

1. GENERAL. Follow-up inquiries consist of four types, which are:

a. RECEIPT RECORD. Those submitted to obtain the latest status of requisitions when previous status has been received. These follow-up inquiries will be prepared containing DI Code AF_ (1 through 3) as prescribed in Appendix 4. If BF status is received after submission of an AF_ series document, an AT_ series document will be sent to the supply source.

b. NO RECEIPT RECORD. Those submitted to obtain the latest status of requisitions and which may be processed as requisitions when supply sources have no record of receipt of the original requisitions. These follow-up inquiries will be prepared containing DI AT_ (1 through 5 and 7) or (A through E) as prescribed in Appendix 4.

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c. IMPROVED ESD. Those submitted as requests for supply action to improve Estimated Shipping Dates (ESDs) contained in previously provided supply status documents. These follow-up inquiries will be prepared containing DI AFC as prescribed in Appendix 4. The AFC follow-up inquiries will be prepared only for transactions applicable to priority designators 01-08 and will be submitted only after receipt of supply status which reflects ESDs not commensurate with material usage or need dates. Follow-ups may be submitted only by the requisitioner, supplementary addressee, or the activity represented by the alpha or numeric characters contained in rp 54 of the original requisition.

d. CANCELLATION. Those submitted to obtain latest status on a previously submitted cancellation request and which may be processed as a cancellation request provide the original request was not received. These follow-ups will contain DIs in the AK_ series.

2. PARAMETERS BY PRIORITY. Follow-up inquiries for requisition priority designators 01 through 08, with the exception of follow-up inquiries requesting improvement in ESDs, will be submitted only after expiration of at least 3 days from the requisition submission date or transaction date of the last supply status. Follow-up inquiries for requisition priority designators 09 through 15 will be submitted only after expiration of at least 7 days from the date of the requisition or transaction date of the last supply status. Submission of follow-up inquiries under these criteria will be done only after activities ensure that:

a. Status information has been requested under the provisions of the Media and Status Code;

b. Status data is not on hand to indicate a delay in receipt of material beyond the Standard Delivery Date or Required Delivery Date (not applicable to follow-up inquiries requesting improvement in ESDs); or

c. The UMMIPS order and shipping time standards for receipt of material has elapsed on which status had not been requested.

3. OVERSEAS. Activities following-up on overseas requisitions, prior to submission of follow-ups, will ensure that:

a. Forty-eight hours have elapsed since the Required Delivery Date or Standard Delivery Date expressed on the requisition, or that,

b. Forty-eight hours have elapsed since the expiration of the established time frame for receipt of status.

4. WHERE TO SUBMIT. Follow-ups will be submitted to the point to which the requisition was submitted, except when supply status has been received, indicating that another activity is responsible for processing the demand. In the latter case, follow-ups will be to the activity indicated as currently processing the requisition (i.e., "last known source of supply").

a. The "last known source of supply" is the last known distribution point which has the demand for decision to issue the material. Storage sites, direct support points, posts, camps, stations, bases and equivalent are not considered "last known sources of supply" for follow-up purposes even though stock may be capitalized and/or stored therein.

- b. To assist the single point requisitioning and follow-up philosophies applied in some distribution systems, the service prescribes follow-up criteria for intra-service transactions.
- c. Activities initiating follow-up documents, on requisitions for which no status has been received and the Standard Delivery Date or Required Delivery Date has expired, will consider that the supply source may not have a record of receiving the original requisition. When no positive supply status has been received and no previous cancellation request submitted, the requisitioner or other authorized activity may follow-up only with the appropriate document from the AT_ series. The AT_ series documents will have the same character in the third position of the DI as the original requisition and will be submitted in accordance with rules applicable to such requisitions. The AT_ series of follow-ups will be treated as requisitions, if supply sources have no record of the original requisitions. Duplicate document number edits by supply sources will prevent duplicate processing and shipment, if the original requisition is subsequently received by the supply source. When positive supply status has been received, the requisitioner or other authorized activity may use any follow-up, subject to restrictions contained elsewhere in this manual. When a follow-up document isn't a requisition, it will be assigned a document identifier code from the AF1 through 3 series provided in Appendix 4.
- d. Preparation of the follow-ups will be in accordance with the data entries reflected in Appendix 28. Exception data, if entered in an A0E or A05 requisition, will be omitted from follow-ups in the AF_ series. AT5 or ATE follow-ups will contain the same exception data that was entered in the original A05 or A0E requisition.
- e. Follow-ups will be submitted in the same manner as requisitions.
- f. When shipping status has been received, follow-ups citing document identifier codes AF_, AT_ or AFC should not be submitted. If material has not been received, transportation tracer action will be initiated. MILSTAMP (DoD Regulation 4500.32-R) contains procedures for tracing shipments in the Defense Transportation System. Registered and insured parcel post will be traced in accordance with current Postal Regulations.
- g. An AK_ series follow-up may be submitted 10 days after submission of the original AC_ cancellation request if no acknowledgment of receipt of the AC_ is received. If status is not received within 10 succeeding days, another AK_ follow-up may be submitted. If status is received acknowledging receipt of AC_ or AK_ documents, no further follow-up may be submitted until 30 days after receipt of last status.

5. SUPPLY ASSISTANCE. Commands, although not designated as recipients of status in previously submitted requisitions, may request supply assistance relative to any of the previously submitted requisitions originating in that echelon. Supply assistance includes status of requisitions, timely support of requirements, item substitutability and interchangeability, release or cancellation of backordered requisitions, etc. Requests for assistance may be done by message, letter, or telephone from the supply sources. Telephone requests won't exceed seven (7) items and are limited to Priority Designators 01 through 08. The limitation of items will be determined by the supply source ability to record the items and initiate timely responses. Supply assistance requests can contain multi-addressees for receiving responses. (See message format for MILSTRIP Supply Assistance Request on page 3-52.)

6. REASON FOR REJECTION. When Status Code CA has been received in response to a follow-up request and no record of the previous receipt of CA status and the reasons for rejection can be located, authorized status recipients may inquire offline (i.e., via mail, message or telephone) of the supply source to obtain the reasons for rejection.

03340 REQUEST FOR SUPPLY ASSISTANCE

1. GENERAL. Supply assistance may be requested for Priority 1-8 requisitions with status that reflects an ESD that material will not be supplied by the RDD or SDD. A request for supply assistance may be done by message, letter, or telephone to the appropriate supply source. The message displayed on page 3-52 is the Standard MILSTRIP Supply Assistance Format.

2. REQUESTS SUBMITTED TO DLA AND OTHER SERVICES/AGENCIES.

a. When requesting supply assistance from other services/agencies, the message format on page 3-52 should be followed. Strict adherence to this format when dealing with DLA or other services/agencies will provide them with all the information needed for expediting your requirements. It's also the easiest them to understand. It is especially important to use the subject line "MILSTRIP Supply Assistance Request" and to place the document number(s) in the first paragraph. Avoid the use of strictly Navy terms such as "CASREPs" or "SITREPs." Also avoid giving DLA or other services/agencies extra information not required for expediting such as NMCS hours, aircraft numbers, production hours, and downtime.

b. If Navy commands have Defense Supply Centers (DSCs) as addressees on equipment status messages, the first paragraph of the message should clearly state that any assistance required from DLA will be addressed by a separate assistance message. If DLA Headquarters assistance is required such messages should be addressed to Code DRSO-M which is the Readiness Support Office.

03350 SHIPMENT TRACING

1. NO STATUS RECEIVED. When shipment status has not been requested and material has not been received in normal transit time, follow-up (DI AF1, 2 or 3) will be submitted.

2. STATUS RECEIVED. When shipment status has been received evidencing that shipment has been made, follow-ups (DI AFI, 2, 3, AT_ and AFC) will not be submitted. These actions would result only in receipt of another shipment status document with the same data.

3. TRANSIT TIME EXPIRED. If material has not been received and the date of shipment in the shipment status documents indicates that normal transit time has expired, a request for Shipment Tracing will be initiated as follows:

a. For Surface, LOGAIR, QUICKTRANS, and Air Export Shipments within the Defense Transportation System (DTS). DoD Regulation 4500.32-R, LMARS, contains the procedures, formats, and address data needed by a consignee to trace a shipment in the DTS. Requests should be turned over to the local transportation officer for tracing in accordance with LMARS.

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b. For all Air and Surface Domestic Freight Shipments with a Final Destination at a CONUS Activity. These shipments can be identified by an alpha "B" in rp 68 of shipment status documents. Shipment Tracing will be initiated by the consignee in accordance with the Joint Military Traffic Management Regulation (AR 55-355, AFM 75-2, NAVSUPINST 4600.70 AFR75-2, MCO P4600.14, DLAR 4500.3).

c. For Registered, Insured and Certified Mail/Parcel Post Shipment to CONUS and Overseas Activities Excluding Navy International Logistics Program (ILP) Shipments. These shipments are identified by an alpha "R," "I" or "C" respectively in rp 68 of shipment status documents. Request for Shipment Tracing (DI AFT) will be submitted by the consignee to the supply source in the format shown in Appendix 28. DI AFT shipment tracer requests should be submitted no earlier than 10 days and no later than 60 days (90 days for medical requirements) after the date of shipment indicated in the shipment status documents. An additional AFT will be sent after 15 days if no reply is received. DI AFT tracer actions received by the consignor more than 60 days after date of shipment may result in negative response due to retirement/destruction of records on completed transactions. See paragraph 04010 for processing action by the supply source.

d. Although the mode code in rp 77 of the Shipment Status documents indicates parcel post, if a transshipment code is present in rp 78-80, tracer action will be initiated in accordance with paragraph 3a above.

03360 STATUS

1. GENERAL. Status recipients will:

a. Promptly record status received automatically and/or in reply to a follow-up to applicable due-in records/requisition history - status files and, in the case of the Defense Reutilization and Marketing Service (DRMS), the disposal suspense file.

b. Give particular attention to "transaction date" in rp 62-64 of supply status received to assure that records/files are updated in the proper chronological order/date sequence.

c. Review supply status received for additional action required by the status code, if any. If a requisition has been rejected and the material is still required, the requirement must be submitted as a new MILSTRIP requisition citing a new document number with a current julian date.

d. Construe shipment status (DI AS_ or AU_) received as notice that shipment has been made and that additional MILSTRIP follow-up will only result in receipt of another shipment status document.

e. Assume receipt of material within the prescribed UMMIPS time frame for the priority in rp 60-61, or the RDD in the requisition, when in receipt of supply status documents with no ESD in rp 70-73.

f. Ensure appropriate status is provided to other activities requiring status, when the only status recipient is the activity identified by a distribution code.

03370 CANCELLATION OF REQUISITIONS

1. GENERAL.

a. INITIATOR. Cancellation of requisitions may be initiated by the requisitioner, the supplementary addressee, the activity designated by the code in rp 54, Service or Agency headquarters or by authorized command elements. If cancellations are initiated by other than the requisitioners, the responsibility for advising other interested activities of this action is vested in the activity having initiated the cancellation. Cancellation requests can be initiated as single line transactions or by narrative message containing one or more single line cancellation transactions.

b. MASS CANCELLATIONS. Events such as base closures, termination of special projects, ship and unit inactivations, termination of agreements, termination of vessel outfitting or construction, etc., can necessitate the requirement for mass cancellation of multiple lines. In some instances, the Service/Agency headquarters would be aware that a total project or total requirement for a single base is no longer required and should be canceled. Thus, the Service/Agency headquarters element could initiate the requests for mass cancellation of multiple lines. Such requests will be submitted by message to the Service/Agency designated points in accordance with paragraph 02254.

c. SINGLE LINE CANCELLATIONS. Under normal circumstances, cancellation requests represent a discontinued need of specific items and quantities. Funds will not be deobligated and individual due-in records will not be updated until status has been received indicating that cancellation has been done. Accordingly, single line requisition cancellation is the preferred method. Single line cancellation actions will be processed by the supply source in accordance with Chapter 6. The preparation of single line cancellation requests will be done in accordance with the procedures in 03370 and the formats shown in Appendix 28.

d. Single line item cancellation requests will be submitted to the last known source holding the applicable requisitions.

e. Single line item cancellation requests will not be submitted under the following circumstances:

(1) When a CONUS activity has received notice of shipment (DI AS _), DD 250, etc., advising that shipment from a contractor's facility or a depot has occurred.

(2) When an overseas activity has received shipment status and:

- (a) The line item value of the cancellation is less than \$200, or
- (b) The material has been shipped by air mail or parcel post, or
- (c) The material was shipped more than:

- 1. 10 days by air shipment to APOE.
- 2. 45 days by surface shipment to WPOE.

f. Single line item cancellation requests will normally be submitted for conditions (not excluded by paragraph 03360.1e) when a discontinued need for a requisition quantity occurs... regardless of line item dollar value or status received. Such submission will enable supply sources to properly adjust demands and initiate cancellation when feasible.

g. Single line item cancellation requests submitted against requisitions for which status code BV was received may result in billing for transportation charges and/or contract termination costs in the event the supply source is able to effect cancellation/diversion.

h. The responsibility for the utilization or disposition of material, for which cancellation or diversion to an alternate consignee could not be effected, is that of the consignee, the appropriate commander, or Service headquarters.

i. When shortages occur for material previously canceled or rejected, new requisitions with new document numbers, citing appropriate issue priority designators will be submitted. Requests for reinstatement of previously canceled or rejected requisitions will not be submitted to supply sources.

03380 CANCELLATION METHOD

1. GENERAL. Cancellation of a requisition will be effected by duplicating the original requisition except the Document Identifier will be changed to indicate AC1, AC2, AC3, or AC6. The Routing Identifier of the last known source of supply and the quantity will be changed if the cancellation action is not for the total quantity contained in the original requisition. The cancellation action will be submitted to the last known source of supply. Cancellation action may be done by message - the message will be prepared in accordance with Part F of this chapter. Telephone cancellation will not be used.

03390 RECEIPT OF MATERIAL

1. 1348-1A. The Form 1348-1A is the document prepared by the activity shipping the material. It is used for selecting, packing, shipping, and receiving material. It's also used as a record of receipt transactions and/or data source for preparation of other documents.

2. CLOSE-OUT. Receipt of the material ends the requisitioning cycle - except for submission of the Material Receipt Acknowledgment Card (MRAC). Procedures for this are contained in Chapter 6. The material outstanding file will be updated and the original requisition annotated "complete." If discrepancies occurred in filling requisitions, they must then be referred to the appropriate action offices.

3. PROCEDURES. The procedures for receipt of material are discussed in Chapter 6, this volume.

PART E: MATERIAL OBLIGATION VALIDATION (MOV)**03400 GENERAL**

1. **OUTLINE.** This section covers policies and procedures for validating the continuing need for overage requisitions. It also addresses the reconciliation of supply source material obligation records with the due in records of requisitioning activities. (Foreign Military Sales transactions are excluded from the MOV process; however, FMS material obligation records should be reconciled at the supply source with those activities required to maintain Foreign Military Sales case control.)
2. **DEFINITION.** A material obligation represents that unfilled quantity of a requisition that is not immediately available for issue to the requisitioner, but is recorded as a commitment against existing or prospective stock dues or direct delivery from vendors. Accordingly, Material Obligation Validation (MOV) pertains to those requisitions in a BB, BC, BD, BV or BZ status.
3. **PURPOSE.** The purposes of MOV requests are:
 - a. **Reconciliation of Records.** To ensure overaged material obligations in inventory manager's records agree with the material outstanding records of the requisitioning activity.
 - b. **Validation of Need.** To determine whether requirements for the material still exist and, if so, whether the total quantity requested is still required.
4. **MOV FLOW.** MOV requests are sent from the supply source (ICP) to the requisitioner on a cyclic basis. These requests are asking for validation of the requirement which is a material obligation in ICP records.
5. **REPLY.** The requisitioner must reply to the MOV request, advising the ICP:
 - a. To hold a material obligation until supplied.
 - b. To cancel all or a portion of a material obligation.

03410 MOV AGE CRITERIA

1. **NORMAL.** Material obligations are considered overage and subject to the procedure when:
 - a. UMMIPS PD 01 through 08 requisitions have aged to 30 days past the requisition date.
 - b. UMMIPS PD 09 through 15 requisitions have aged to 75 days past the requisition date.
2. **SPECIAL ORDER.** Special validations may be done regardless of material obligation age.
3. **LONG LEADTIME ITEMS.** MOVs also apply to long production lead time items since requirements for such items may change as a result of unit/force movements, deactivation, and other population changes. However, IMs may expand the interval for long lead time items.

03420 SCHEDULE FOR CYCLIC VALIDATION OF MOV

1. The annual schedule of cyclic validations is as follows. The response time applies to all activities:

Cycle No	Cutoff for Supply Sources to Prepare and Forward Validation Requests	Maximum Ending Date by which Requisitioner Responses are Due Back to Supply Source
1	20 Jan	5 Mar
2	20 Apr	5 Jun
3	20 Jul	5 Sep
4	20 Oct	5 Dec

2. DAAS ROUTING. DAAS collects Ships' MOV requests from all inventory control points. ICPs are required to transmit MOV requests to DAAS on or before the cutoff date at the beginning of each MOV cycle. This allows DAAS to send them to the activities concerned no later than five days from the established cutoff date of each cycle. MOV requests received at DAAS after the cutoff date will be converted to APs and returned to the generating ICP(s) by DAAS.

03430 DETERMINING RECIPIENT OF VALIDATION REQUESTS

1. GENERAL. MOV requests will be forwarded to the activities determined in accordance with the following rules:

- a. To the activity designated by the Media and Status (M&S) code, (rp 7).
- b. When a zero is entered in the M&S code, to the activity designated by an alpha/numeric character in rp 54.
- c. When rp 54 is blank and M&S code is 0, forward requests to the requisitioner (rp 30-35).

03440 ACKNOWLEDGMENT OF RECEIPT OF MOV REQUESTS

1. BATCH CONTROL CARD. MOV requests forwarded to each activity will be accompanied by a MOV control card DI AP9 to be used for acknowledging receipt of the MOV batch.

2. NUMBER OF CARDS. One AP9 control card is produced for each batch of AN_ cards.

- a. When transmitted via AUTODIN, no more than 494 cards will be included in a single AUTODIN message. Each batch of 494 will have its own control card. If a single batch exceeds 493 detail requests (DI AP1, AP2 or AP3), additional AUTODIN messages are required.

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b. When transmitting via mail, there is no limit to the number of AP _ transactions forwarded in a single mailing container. A separate MOV control transaction (DI AP9), interpreted and containing the preprinted in-the-clear address of the supply source on the reverse side, will be forwarded as the first card of each separate group of documents.

3. RECEIPT OF CARDS. The provision to verify receipt of the MOV batches is the first checkpoint in the MOV process. Therefore, acknowledgment of receipt will be done immediately upon receipt of the request document. The MOV control card (AP9) information must be verified with the number of cards actually received.

a. If the count is correct and the number of transactions match the control transactions, acknowledge receipt by entering DI AP9 in rp 1-3 and date of receipt in rp 41-44 and return to the supply source. This acknowledgment will be returned by AUTODIN, whenever possible, regardless of receipt by mail or AUTODIN. When this is not possible, they will be sent by data pattern message or mailed.

b. If the count is incorrect and the number of cards do not match the control card, or if the batch has not been received within the allotted timeframe, change the DI to APX and return to the supply source. Return by AUTODIN is preferred, but if mail is used, the DI of the control card will be crossed out, APX annotated and the card returned. The phrase "ALL MOV requests not received - Resubmit" may be added to the card if desired. All APX cards returned to the supply source will be construed as, or serve notice that, the supply source should retransmit the specific batch.

4. DAAS SUMMARY MESSAGE. As the second checkpoint built into the MOV process, DAAS transmits a "Summary Notification of MOV Documents" message to each recipient of MOV documents. The format of this message is displayed in paragraph 11154. Receipt of the message is a notice to the MOV customer that if they do not receive the MOV cards within 18 days from the date of the message customers are required to follow-up to DAAS for retransmission (DI APX) as displayed in Appendix 28. This is an important step in the system "checks" to ensure the MOV customer receives the validation requests.

03450 FOLLOW-UPS ON UNACKNOWLEDGED RECEIPTS

1. SUPPLY SOURCE FOLLOW-UP TO NON-RESPONSE. As the third checkpoint to ensure receipt of MOV requests, supply sources will initiate follow-up action on scheduled validation when no acknowledgment of the request card is received. Follow-ups will be transmitted 30 days from the cyclic cutoff dates as listed in paragraph 03420.

a. The follow-up will be in MOV control card format using DI ANZ.

b. The follow-up will be a reissue of current open detail request card documents.

2. NO RESPONSE TO FOLLOW-UP. If no acknowledgment of the follow-up is received and no response is received by the response due date, the affected material obligations will be canceled. (Foreign Military Sales (FMS) requisitions will not be canceled as they are exempted from MOV procedures.)

3. FLEET UNITS. When acknowledgment of receipt of requests is not received from fleet units, a duplicate of the follow-up MOV control card(s) (DI ANZ) will also be provided to the fleet type commander indicated by the code in rp 54. Within 10 days the fleet type commander will advise supply sources by message of the fleet units unable to respond by the due date. Supply sources will temporarily suspend any cancellation actions until the fleet type commander (of the fleet unit) provides an estimate of when the fleet units are able to respond.

03460 PERFORMANCE OF THE VALIDATION AND RECONCILIATION OF MOV REQUESTS

1. VALIDATING NEED. It is mandatory that the recipient of validation requests conduct an item-by-item review with the user to determine continued need for each item, the quantity involved, and the priority designator of the requirement. A perfunctory review, or a routine response that all material obligations are still required, is a waste of time and effort on the part of all activities. Such cursory reviews do not improve supply support.

2. MATERIAL OUTSTANDING FILE. MOV requests are compared with the related requisitions in the material outstanding file to reconcile differences between data entries in the requisitions and the MOV requests. If routine maintenance of the material outstanding file is completed as outlined in paragraph 03310, the cyclic validation will be easier to perform.

3. DETERMINATION. Each outstanding requirement for which a MOV request has been received will be validated to determine whether:

- a. The total quantity is still required or whether the total quantity, or a partial quantity, can be canceled.
- b. Quantities will neither be increased nor priorities upgraded in the validation process.
- c. After validation has been completed, each validated requisition in the material outstanding file should be annotated to show it was validated in that specific cycle.
- d. When comparing MOV requests with related requisitions in the material outstanding file, it may be discovered that MOV requests have not been received for some overaged requisitions which are shown to be held by the MOV originator (according to last status received). In such cases, follow-up will be made with the normal AF_ or AT_ series DIs.

03470 RESPONSES TO VALIDATION REQUESTS

1. PREPARATION OF AP RESPONSE DOCUMENTS. Upon completion of an MOV, as required by receipt of scheduled validation request transactions, a DI AP__request transaction (or requisition on the listing) will be provided to the supply source which submitted the requests. Navy activities may use the DI AP8 transaction to respond to MOV requests which have been verified as valid and the quantity field remains unchanged. The DI AP8 transaction will not be generated until all changes relating to the applicable MOV cycle have been made. Responses will be submitted to the supply source by the reply due date shown in the request transactions. The requisitioners will indicate the action to be taken on each scheduled MOV request as follows:

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- a. A DI AP_ document will be prepared in response to each DI AN_ request.
- b. The quantity field of each AP_ response document will indicate the quantity still required. If total cancellation is desired, the quantity field will be zero filled.
- c. Whenever a requirement is retained as a material obligation and the priority designator or RDD changes due to reassessment of requirements, a requisition modifier containing a DI in the AM_ series is prepared to reflect the revised priority designator or RDD.
- d. Transmittal of AP_ response cards will be as follows:
 - (1) AP_ response cards are transmitted whenever the validating activity has access to an AUTODIN terminal with data pattern transmitting capability.
 - (2) A MOV control card is not required with AP_ response cards returned by mail or AUTODIN. AP_ response cards will be transmitted as individual cards or small batches and as early as practical after validation. Accumulation of AP_ cards for large or one time transmission is not required and is to be discouraged. Prompt transmission of AP_ cards will preclude shipment/release of items no longer needed.
 - (3) Validating activities with no machine-readable capability may respond to scheduled validation requests by returning all request card documents under a letter of transmittal to the supply source. In these instances, the letters of transmittal will indicate those items required to be continued as material obligations and the validated priority designator, or those items required to be canceled, or the AP_ cards will be annotated and returned in two batches, one containing those items to be continued and the other of those items for cancellation.
- e. DAAS will use the DI AP8 transaction to provide responses to the DI AN__ transactions received for activities using the procedure outlined in paragraph 02142 paragraph 14.
- f. DAAS will provide appropriate DI AP__ responses to the respective supply source for each DI AP8 transaction received. DAAS will process the DI AP8 no earlier than 7 days after receipt, but no later than the last day of the cycle.
- g. DAAS will use the DI AN__ history file to generate appropriate DI AP__ responses for the activity identified in the DI AP8 transaction.

03480 BMV RESPONSE PROCEDURES FOR AFLOAT UNITS/REMOTE OVERSEAS LOCATIONS

1. GENERAL. The current system developed for use by fleet units allows them to respond to MOV requests using a MOD V telecommunications terminal. This procedure, outlined below, requires transmission of one BMV card to indicate backordered requirements are valid. This system has now been extended to include remote overseas locations wherever MOD V terminals are available. Selection of locations to be defined as remote are at the discretion of CINCLANTFLT (Code 07), COMNAVLOGPAC (Code 41) and CINCUSNAVEUR (Code N42). As selected overseas activities, identified by UIC, are provided to SUP 4112, they may be included in the BMV response system. Therefore, the BMV procedures are now included in this publication as well as NAVSUP PUB 485, Afloat Supply Procedures, paragraph 3596.

2. PROCEDURES. The procedures for BMV response are as follows:

a. DAAS receives MOV request documents from all Inventory Control Points (ICPs). When the customer activity has AUTODIN capability (e.g., ships in port), the documents are transmitted as received. When customer activities receive by mail, the MOV request documents are accumulated, batched and all documents are transmitted to the customer at one time.

b. DAAS will also transmit a "Summary Notification of MOV Documents" message. DAAS retains a file of all AN_s transmitted to permit supply source/requisitioner tracer action.

c. After validation of requirements, the requisitioner will transmit to DAAS.

(1) For Cancellation. One DI AP_ document for each AN_ document requiring cancellation. The AP_ document will be prepared as displayed in Appendix 28.

(2) For Validation. One DI BMV document to certify all valid requirements. Only one document is required for each UIC regardless of the number of ICPs involved. Only one BMV is required for each UIC regardless of service code (N/R or N/V). The BMV document will be sent to "DAAS DAYTON, OH" via formatted message using MILSTRIP Message Transmittal Worksheet (NAVSUP 1353 or 1353-1). The format for the BMV is provided in Appendix 28.

(3) If no cancellations are needed, only one BMV document will be dispatched. DAAS, upon receipt of one BMV document will turn around all AN_ documents in its file and forward to each ICP involved validating the material obligations outstanding.

d. Certain large deployed activities monitor and respond to MOV requests of smaller on-board units. In these cases it is necessary to send one BMV document for each UIC involved.

03490 CANCELLATION FOR NONRESPONSE TO MOV

1. VALIDATION. The following procedures outline the required actions that are to be taken by the validating activity/unit in the MOV. Pay attention to each step and to the deadlines involved to prevent cancellation of valid requisitions.

2. SUPPLY SOURCES - WHEN TO CANCEL. Supply sources will cancel material obligations:

a. When requisitioner has not acknowledged receipt of the scheduled validation request document, or the fleet unit/type commander has not requested temporary suspension of cancellation actions pending final response, and no DI AP_ response cards are received by the response due date.

b. When receipt of validation requests had been acknowledged but no DI AP_ response has been received.

3. SAVING MONEY. The MOV process is valuable in freeing funds when a backordered item is no longer required. These funds can then be used for other requirements. The process is also a valuable tool in developing supply monitoring methods and skills within an activity.

4. INTERNAL CHECKS. Each activity responsible for MOV response must develop internal checks to accomplish the goal of:

- a. Zero cancellations for nonresponse to MOV.
- b. The maximum use of available funds.

03493 DIRECT VENDOR DELIVERY REQUISITIONS

- 1. BV, BZ, N7, ZV STATUS REQUISITIONS. Supply sources will provide the requisitioner/supplementary addressee (SUPADD)/monitoring activity a DI AV_ transaction for each requisition being processed for direct delivery from vendors, BV, BZ, N7, and ZV status, when response has not been received by the MOV cutoff date. Navy activities in receipt of the DI AV_ transactions are required to conduct an item-by-item review and respond with a DI AC_ cancellation transaction if the materiel is not required. Requisitioners are advised that procurement action is in process and that the materiel will be shipped and billed unless a DI AC_ cancellation transaction is submitted. Requisitions filled by direct delivery from vendors, Status Codes BV, BZ, N7, and ZV are excluded from automatic cancellation of the MOV process.

03495 SPECIAL VALIDATION REQUESTS

1. WHEN TO USE. Item managers may initiate special validation requests. For example, the item manager may need to validate requirements for high dollar value, critical items or for those NSNs which have the largest number of material obligations on record or account for certain percentages of the total material obligations. These special validations should be selective and may be made regardless of whether the material obligations were previously validated. Item managers determine critical items; they are essential items, which are in short supply or expected to be in short supply for an extended period.

2. METHOD. Requests for a special MOV will always be done via message. Responses to special requests will also be done by message. This requirement recognizes the fact that these special validations will normally consist of a limited number of transactions for a single activity.

3. DATA TRANSMITTED. The message request will include the material obligation's document number, the stock or part number, the unfilled quantity, identification of the "ship to" address, the current priority designator, and a reply due date. The reply due date is established as 10 days from the date of the message dispatch. The format used is in paragraph 02142.

4. RESPONSE. Responses to special validation requests will be done by message in the format shown in paragraph 02142. The message responses will contain the document number of the demand as contained in the validation request message, the stock or part number, the valid priority designator, and the quantity required for continuation as a material obligation. The message response will also contain any quantities of material received by requisitioning activities prior to preparation of the response. The responses will serve to advise whether material obligations should be canceled or requirements still exist. The message responses to the special validation requests will be done in time to meet the "request reply by" dates contained in the validation request message.

PART F: MESSAGES

03500 MESSAGES FOR REQUISITION DOCUMENTS

1. USE. Requisitions, Follow-ups, and Cancellations may be transmitted as administrative messages when data communications facilities are not available to permit transmission by other means; or when a high priority designator and/or the document require rapid document transmission and has exception data. **These messages should be held to a minimum.** When messages are used for this purpose, each transmission will be limited to a maximum of seven requisitions or the contents of a single page, whichever is greater. When explanatory comments are required, the correct Document Identifier Code will be entered in accordance with Appendix 4. The appropriate entry will be entered on the line immediately following the requisition. All requisitions on a message must be for the same activity, i.e., the Routing Identifier Codes must be identical on all documents. The first line in the body of the message will contain one of the following legends: "MILSTRIP Requisitions" or "MILSTRIP Cancellations."
2. Encrypt For Transmission Only (EFTO) procedures apply to MILSTRIP messages when such messages contain information involving classified ship movements (including location by use of geographical reference point and/or range of bearing), operational capabilities or limitations, casualties degrading combat effectiveness, overhaul/availability, matters concerning fast patrol boats, matters regarding special weapons, and other information which, in the opinion of the originator, warrants EFTO protection during transmission.
3. SEGREGATION BY TYPE ACTION. Messages will contain all requisitions or all follow-ups. No mix of the two is permitted on any one message. Thereafter, each requisition or other related action will be numbered by paragraph commencing with Number 1 for the first requisition and the first 66 positions of data, except for field dividing slashes (/) which will be inserted.
4. FOLLOW-UP. Follow-up messages will be a repeat of the original requisition, except when later status data has been received the elements as amended will be inserted in lieu of original data. Written confirmation of message requisitions is not required and will not be forwarded.
5. BV STATUS. When a Supply Status Transaction containing Status Code "BV" has been received and it becomes necessary to initiate a follow-up, the Routing Identifier contained in rp 4-6 of the AB Series document will be used. The data contained in rp 67-69 of the "AB" status transaction will not be perpetuated on rp 4-6 of the follow-up transaction.
6. CANCELLATION. Cancellation messages will contain the data in the original requisition except as modified by status data received. Since it can be initiated by other than the requisitioner, the activity canceling the requirement must advise all other interested parties of this action.

7. ABBREVIATED MESSAGE DOCUMENTS. Due to possible errors in transcribing message data into electronic format by recipient processing points, using abbreviated messages should be held to a minimum. The abbreviated message format is as follows:

a. Each document is limited to a maximum of seven (7) line items, or the contents of a single page, whichever is the greater. All line items of a single follow-up message must be intended for the same element within the recipient processing point (i.e., the Routing Identifier codes must be identical for all line items).

b. The first line contains the words "ABBREVIATED MILSTRIP FOLLOW-UP, CANCELLATION, SUPPLY STATUS, or SHIPMENT STATUS." Thereafter, each line item is numbered, starting with Number 1. Slashes (/) or other appropriate marks will be put between each code and/or data element. The code entries follow:

(1) Follow-up Requests (No Supply Status Received).

- (a) Document Identifier Code
- (b) Routing Identifier (To)
- (c) Stock or Part Number
- (d) Unit of Issue
- (e) Quantity
- (f) Requisition Document Number
- (g) Distribution Code (of the monitoring activity) if applicable, otherwise leave blank
- (h) Priority Designator

(2) Follow-up Requests (Supply Status Received).

- (a) Document Identifier Code
- (b) Routing Identifier (To)
- (c) Stock or Part Number
- (d) Unit of Issue
- (e) Quantity
- (f) Requisition Document Number
- (g) Suffix Code, when applicable, otherwise leave blank
- (h) Status Code
- (i) Distribution Code, when applicable, otherwise leave blank
- (j) Priority Designator

- (3) Cancellation Requests (Supply Status Received).
 - (a) Document Identifier Code
 - (b) Routing Identifier (To)
 - (c) Stock or Part Number
 - (d) Unit of Issue
 - (e) Quantity
 - (f) Requisition Document Number
 - (g) Suffix Code, when applicable, otherwise leave blank
 - (h) Status Code
 - (i) Estimated Shipping Date
 - (j) Priority Designator
- (4) Supply Status.
 - (a) Document Identifier Code
 - (b) Stock or Part Number
 - (c) Unit of Issue
 - (d) Quantity
 - (e) Requisition Document Number
 - (f) Suffix Code, when applicable, otherwise leave blank
 - (g) Priority Designator
 - (h) Status Code
 - (i) Estimated Shipping Date
- (5) Shipment Status.
 - (a) Document Identifier Code
 - (b) Quantity
 - (c) Requisition Document Number
 - (d) Suffix Code, when applicable, otherwise leave blank
 - (e) Date Shipped or Estimated Shipping Date
 - (f) Priority Designator
 - (g) Transportation Control Number, GBL Number, Registered Parcel Post Number or other shipment number. Leave blank if shipment has not occurred.
 - (h) Mode of Shipment Code. Leave blank if shipment has not occurred.

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Material Procurement

03500

NOTE: When an element of data is not applicable, the field will be recognized and entered as "BLNK."

```
FM: (ADDRESS OF INITIATOR)
TO: DAAS DAYTON WRIGHT PATTERSON AFB OH
MILSTRIP DOCUMENTS (SUBJECT IS OPTIONAL)

A01NDZW5960004567890 EA00001R5219271840001RYNOE01AKR 9NEK505 )REQNS
A01NDZW5960001234567 EA00001R5219271840002RYNOE01AKR 9NEK505 )
AF1NDZW5960006540780 EA00002R5219271670133RYNOE01AKR 9NEK505169BM )FOLLOWUPS
AT1NDZW5960007654321 EA00001R5219271480002RYNOE01AKR 1NEK505 )
AM1N33W5960004217619 EA00001R5219271770108RYNOE01AKR 1NEK505179BB )REQN
AM1N35W3110009164134 EA00002R5219271780004RYNOE01AKR 9NEK505180BB )MODIFIERS
AC1S91W6610004361916 EA00001R5219271760002RYNOE05AKR 1HEK505178 )CANCEL
AC1N35W5905001363612 EA00002R5219271670001RY00E05AKR
AP9S9IO202002 AT50208020 8025 8084
```

Figure 3-2

PART G: REJECTION AND ROUTING OF TRANSACTIONS

03700 REJECTION AND ROUTING OF TRANSACTIONS

1. REJECTION OF TRANSACTIONS.

a. GENERAL. During the processing of MILSTRAP transactions, the receiving activity will edit the transactions prior to updating inventory and financial records. Errors detected during this edit process fall into three basic categories:

(1) Errors which the receiving activity can correct and continue processing.

(2) Errors which concern a specific data element in the transaction and can't be processed.

(3) Errors which indicate that the submitter has not received or processed the latest Cataloging Management Data (CMD). This category of transactions is corrected and processed by the ICP/SCA and an item correction/change notification is forwarded to the submitter in the form of a Document Identifier (DI) Code DZB Storage Item Data Correction/Change Card.

b. SERVICE/AGENCY RESPONSIBILITIES. The service/agency will establish editing procedures related to the processing of MILSTRAP transactions. Errors detected that can be corrected and processed without rejection to the submitter will be corrected by the service/agency. Transaction errors which cannot be corrected and processed by the service/agency will be rejected to the submitter for action.

c. REJECTED TRANSACTIONS. Rejected transactions are identified by DI Code DZG. The DI code of the incoming rejected transaction will be shown in rp 57-59 and the reject advice code or MILSTRIP status code will be placed in rp 79-80. Activities in receipt of DI Code DZG Transaction Rejects will take such action as indicated by the reject advice code.

2. ROUTING OF TRANSACTIONS.

a. Submission of MILSTRAP Transactions via the Defense Automatic Addressing System (DAAS). Whenever the submitter has access to an AUTODIN terminal, the following MILSTRAP Logistics Asset Support Estimate (LASE) and Special Program Requirement (SPR) transactions will be submitted electronically via the DAAS for routing to the source of supply:

Code	Document Title
DTA	Asset Support Request
DTD	Asset Support Require Follow-up
DYA	Special Program Requirement Request
DYC	Special Program Requirement Cancellation
DYD	Special Program Requirement Modifier
DYG	Special Program Requirement Substitute Item Acceptance

Code	Document Title
DYH	Special Program Requirement Substitute Item Rejection
DYJ	Special Program Requirement Follow-up
DYL	Special Program Requirement Request (Cooperative Logistics Supply Support Arrangement)

b. DAAS Processing for LASE and SPR Transactions

(1) Upon receipt of the LASE and SPR transactions identified in paragraph 2a, the DAAS will edit the National Stock Number (NSN) field of the incoming transactions and will determine if the National Item Identification Number (NIIN) can be identified, if the Federal Supply Class (FSC) is compatible with the NIIN, and if the transaction is directed to the correct source of supply. The DAAS will pass the transaction, reject the transaction, or effect necessary changes to process the transaction and provide appropriate status notification to the submitter as follows:

(a) If the NIIN is valid (including NIINs coded obsolete/inactive) but the FSC and NIIN are not compatible, the DAAS will correct the FSC and will provide NSN change status notification to the submitter as prescribed in paragraph 2c.

(b) If the NIIN is valid (including NIINs coded obsolete inactive) the DAAS will also screen the Source of Supply (SoS) File Service record (or integrated Material Manager record if the Service record source is another Service/Agency activity or matches the input transaction RIC "from") and process as follows: 1/

1. If the incoming transaction is directed to a correct non-GSA source of supply, the DAAS will pass the transaction to the activity indicated in positions 4-6.

2. If the incoming transaction is directed to an incorrect source of supply and the correct source of supply is not GSA, the DAAS will provide reroute status notification to the submitter as prescribed in paragraph 2c and will reroute the transaction to the correct source of supply.

3. If the incoming transaction is directed to a correct GSA source of supply or to an incorrect source of supply but the correct source of supply is GSA, the DAAS will reject the transaction to the submitter as prescribed in paragraph 1c, citing Reject Advice Code AX in columns 79-80.

(c) If the NIIN cannot be identified, the DAAS will reject the transaction to the submitter as prescribed in paragraph 1c, citing Reject Advice Code AD in positions 79-80.

c. DAAS Preparation of Status Notification. The DAAS will prepare and transmit appropriate DI DZ9 Status Notification(s) to the submitter based on the action(s) taken. The DI of the original transaction will always be shown in positions 57-59.

(1) A status notification will be prepared whenever the FSC was corrected in the incoming transaction. The correct FSC will be reflected in positions 8-11 and Status Code BG will be entered in positions 79-80.

(2) A status notification will be prepared whenever the incoming transaction was rerouted. The RIC of the correct source of supply will be reflected in positions 67-69 and Status Code BM will be entered in positions 79-80.

(3) When a status notification is prepared, the DI code of the incoming transactions will be shown in positions 57-59 of the status notification.

d. Processing Status Notifications and Transactions Rejects by Recipients

(1) When MILSTRAP DI DZ9 Status Notifications with Status Code BM are received on MILSTRAP transactions, the recipient will update internal LASE/SPR records to reflect the source of supply RIC code entered in positions 67-69 of the status notification.

1/ Source of supply for obsolete/inactive items will be taken from the SOS File when possible; otherwise, the source of supply will be the activity identified by the Routing Identifier Code (RIC) in positions 4-6 of the in-coming transactions.

(2) When DI DZ9 MILSTRAP Status Notification with Status Code BG are received on MILSTRAP transactions, the recipient will update internal LASE/SPR records to reflect the FSC entered in positions 8-11 of the notification. If the status notification is for a SPR transaction, the originator will review the NSN (FSC and NIIN) to ensure the SPR being processed is for the desired item. If the NSN is not the desired item, the originator will submit a SPR Cancellation, DI DYC, to the source of supply.

(3) DI DZG Transaction Rejects will be processed in accordance with paragraph 1c above. However, recipients of code AB transaction rejects for LASE and SPR documents will advise their designated Service/Agency contact point for cataloging data of a DAAS SoS File discrepancy. If the LASE/SPR requirement still exists, requesters must submit a new LASE/SPR document directly to the correct source of supply, bypassing the DAAS.

(4) Recipients of a MILSTRAP status notification will notify other activities requiring knowledge of the change and will ensure all future transactions submitted for the document number reflect the change identified by the MILSTRAP status code in the notification.

CHAPTER 4 - MATERIAL RECEIPT, CUSTODY, AND STOWAGE

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CHAPTER 5 - MATERIAL EXPENDITURE AND SHIPMENT

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ASHORE SUPPLY PROCEDURES

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CHAPTER 6 - STOCK POINT OPERATIONS

PART A: INTRODUCTION

06000 PURPOSE

This chapter covers the general MILSTRIP/MILSTRAP supply policies practiced at Navy stock points. It does not address the automated systems across naval activities, because of their wide range. Technical guidance for specific systems' operations are documented in each system user's manual. All present and future systems will comply with this chapter's policy guidelines.

06003 MAJOR SUPPLY FILES

1. GENERAL. This section covers the basic supply files used to operate a stock activity. Again, to get more detailed information about your specific system, refer to your activity's computer system manual. The following is an overview of supply files for the nonautomated activities who manually maintain files, or for someone seeking general information.

2. THREE REQUISITION FILES.

a. REQUISITION STATUS FILE. This file contains a record of customer requisitions (in document number sequence) and shows supply action taken to satisfy them. This file is an excellent source for answering customer follow-ups. Information includes: the original requisition, modifier, follow-up, cancellation, referral, backorder, status data, and proof of shipment documents. Manual operations can establish a "suspense requisition control file" to monitor Priority Designator 01-03 requisitions. Upon completion of the requisition action, the record is moved to the demand history file. But, if desired, a proof of shipment file can be maintained separately, e.g., a manual file of 1348-1A copies.

b. IN-PROCESS/BACKORDER FILE. This file contains a record of backordered requisitions, deferred requisitions for issue against in-process receipts, and requisitions for priority 9-20 against which the activity has elected to defer issue for reasons of workload control or material rationing. Each record shows a picture of the supply document and may include accounting data. The file is updated daily. In a manual system, the record may be a reproduction of the original requisition. When the requisition is partially backordered or deferred, a reproduction of the original requisition with a quantity field adjustment and appropriate suffix code assigned goes on record.

c. DEMAND HISTORY FILE. This file contains a record of customer requisition data (in document number sequence) for which supply action has been completed; the requisition data has been removed from the requisition status file. The Demand History File enables the stocking activity to answer "after-the-fact" inquiries or extract statistical data of a historical nature. Requisition history is maintained for approximately two years, then it's removed from file. It can be retained longer if desired.

3. THREE STOCK CONTROL FILES.

a. STOCK STATUS FILE. This file contains stock status for items carried in stock at your activity; it's in stock number sequence. The record shows the stores account code, date of last transaction, cognizance symbol, material control code, purpose/ownership code, condition code, national stock number, unit of issue, quantity on hand, quantity due, quantity backordered, demand, low limit, unit price, planned requirements, reservations, frequency, warehouse location, high limit, and special coding information as required. A separate file should be maintained for classified material and should contain the applicable security code (see Appendix 9). Files for classified stock will be reconciled at least semiannually.

b. RECEIPT/DUE FILE. This file contains a record of material expected to be received into stock (due-in material) as a result of replenishment programs, local procurement of material, or Prepositioned Material Receipt Cards (PMRC). The due-in are identified by contract number or document number sequence. Upon receipt of material, the item quantity, date received, and date stored are posted to the Receipt/Due File. So when there is a need to know if material is due, or has arrived yet and been stored, this file provides the answer. Also, statistical information relative to processing time from receipt to storage comes from this file.

c. RECEIPT/DUE HISTORY FILE. This file contains the receipt/due records which are completed. The receipt/due records are maintained in the active file for a maximum of two months. After two months the records are checked and, if complete, they're moved to the receipt/due history file. The receipt/due history records are kept for two years to answer inquiries about the receipt or nonreceipt of material.

PART B: DEMAND PROCESSING

06005 DEMAND PROCESSING

1. SUBMITTERS. The following sources submit MILSTRIP requisition, referral, and material release orders to Navy stock points:

- Naval Systems Command
- Ships and FMF Aviation Units
- Defense Logistics Agency
- Fleet Commander
- NAVICP
- Other Military Services
- Other Navy Stock Points
- U.S. Coast Guard

2. SOURCE OF SUPPLY. All material requirements are forwarded to the designated source of supply (stock point or ICP) unless emergency or local purchase is authorized. NAVSUP Manual Volume II, Chapter 2 explains when local purchase is authorized.

a. Requirements that cannot be identified to an existing NSN are processed in accordance with the policy and procedures prescribed in NAVSUPINST 4400.77 (latest series).

b. Normally stock points will fill, kill, or pass/refer all requests received. Backorders aren't authorized, regardless of priority, except as indicated in par. 04055. Emergency local purchase of material by stock points, without prior pass or referral action, is reported to the appropriate ICP. This will be done by transaction reporting a demand only transaction (DHA or BHJ).

3. PROTECTED STOCK. Issues below reservations will not be made unless directed by the ICP, except when the requisition contains a purpose code other than A and matches (by document number) an ICP directed reservation, or mobilization of previously reserved prepositioned war reserve stocks.

4. PURPOSE CODES. Normally requisitions will not be processed against stock balance transactions under Purpose Codes L, T, V, W, and Y. But there are two instances where orders can be processed against these purpose codes:

a. ICP referral orders or redistribution orders with a "certified release code" in rp 72

b. Customer requisitions where the material levels were established

5. ICP TRANSACTIONS. All ICP output transactions (A, B, and D series of documents) will contain the appropriate purpose and condition codes in the output document in order to address the correct stock point record.

**06010 MILSTRIP SUPPLY DOCUMENT - IDENTITY, FORMAT, AND DELIVERY MEDIA
(from Requisitioner to Supplier)**

1. CATEGORIES. Two categories of supply documents will be received by stock points for processing. They are documents to release material and documents to request information.
2. IDENTIFICATION. You identify supply documents by the document identifier code which is contained in rp 1-3 of the requisition form, i.e., DD Form 1348, DD Single Line Item Requisition System Document "Manual" . After receiving the requisition, the stock point processes it using the procedures covered in this chapter.
3. RELEASE DOCUMENTS.
 - a. REQUISITIONS (DI AO_). Received directly from the requisitioner.
 - b. REDISTRIBUTION ORDERS (DI A2_). Received from and created by Navy inventory managers.
 - c. REFERRAL ORDERS (DI A4_). Received from another source of supply within the same supply distribution system.
 - d. MATERIAL RELEASE ORDERS (DI A5_). Received at a nonaccountable activity (usually a storage site of attrition assets or specialized stock points in the DLA distribution system) for release and shipment of material. It's managed by an inventory control or distribution point.
 - e. RE-ENTRY OF REQUISITIONS (DI "As applicable"). An internal action resulting in the re-entry of either a previously established backorder or a requisition suspended for managerial review. The format of re-entry will be the same as the original document.
 - f. OTHER AUTHORIZED FORMS. Other types of supply documents which may be authorized by DoD and as listed in par. 03020.
4. INFORMATION DOCUMENTS.
 - a. FOLLOW-UP (DIs in the AF, AK or AT series). Received from the requisitioner, supplementary addressees, inventory managers, or activities identified by the alphabetic/numeric character in rp 54. Process in accordance with follow-up and cancellation procedures.
 - b. CANCELLATION (DI AC_). Received from the requisitioner, supplementary addressees, or activities identified by the alphabetic/numeric character in rp 54. Process in accordance with follow-up and cancellation procedures.
 - c. MATERIAL RELEASE DENIALS (DI A6_). Generated by storage activities to deny a request to issue material. The quantity reflected in the quantity field will represent the unshipped portion of the requirement.

Stock Point Operations

06015

d. SHIPMENT STATUS (DI AS_). Received by all eligible status recipients. Shipment status will contain date the item was shipped and TCN, GBL or other shipment unit number.

e. MATERIAL RELEASE CONFIRMATION (Shipment Data) (DI AR_). Originated by nonaccountable storage points as the result of a material release order from an ICP or distribution point. The number in the quantity field is what's actually shipped.

5. COMMUNICATIONS MEDIA.

a. MILSTRIP requisitions may be received by AUTOMATED NETWORK COMMUNICATIONS, naval message or mail in MILSTRIP format, or by phone.

b. Requisitions with E or 5 in rp 3 and containing remarks which must be perpetuated in the 1348-1A shall be processed to ensure remarks are included on the shipping document.

06015 MILSTRIP REQUISITIONS - INITIAL PROCESSING BY STOCK POINTS

1. GENERAL. Processing points receiving MILSTRIP requisitions, passing actions, follow-ups and cancellations (irrespective of format or method of transmission) will process such transactions in accordance with their respective internal procedures. Supply sources will validate the data elements and codes of the following documents and process or reject the document:

- a. Requisitions
- b. Requisition Modifiers
- c. Follow-up Inquiries
- d. Referral Orders
- e. Redistribution Orders

2. PROCESSING.

a. Supply sources will use the following criteria:

Data Element	Entry in Record Position Blank or Incorrect
Routing Identifier Code	Determine correct source and continue processing. Exception - Reject when all four of the following conditions exist: <ol style="list-style-type: none"> 1. Document Identifier is: AO_ (Requisition), or AM_ (Modifier), or AT_ (follow-up). 2. Record Position 30 contains codes C, E, L, Q or U (denoting contractor DODAAC) 3. Record Position 45 contains code C, E, L, Q or V (denoting contractor DODAAC). 4. Supply source is not the Management Control Activity (MCA) for the contract.

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Stock Point Operations

Data Element	Entry in Record Position Blank or Incorrect
Media and Status Code	Process as 0.
Stock Number or Appropriate Item Identification	If blank, Reject.
Unit of Issue	Enter correct unit of issue or reject. If rejected, enter correct unit of issue in rp 79-80 of supply status transaction
Quantity	Reject.
Code or Data	Element Entry in Record Position Blank or Incorrect
Requisitioner	Discard.
Date	Reject.
Serial Number	Reject.
Demand	Process as recurring.
Supplementary Address	If not affected by signal code, process; otherwise reject.
Signal Code	Reject.
Fund Code	<p>1. If unaffected by signal code, or if signal code is D or M, process; otherwise reject. For Navy automated activities, when PD 01-08, the system continues processing.</p> <p>2. If fund code cited is wrong (i.e., APA to NSA - NSA to APA), keep processing and, using the correct status code, notify the requisitioner to establish or revise financial obligation records.</p>
Distribution Code	Process as blank.
Project Code	<p>1. Process as blank.</p> <p>2. If OSD/JCS project code, the requisition is ranked above all other requisitions within the same priority designator.</p>
Priority	<p>1. If expedited handling signal 999 is present in the RDD field and PD is not 01-03, enter PD 03.</p> <p>2. If an OSD/JCS project code is present in rp 57-59 and PD is not 01-15, enter PD 03.</p> <p>3. If NMCS/ANMCS indicator (N/E) is present in rp 62 and PD is not 01-15, enter PD 08.</p> <p>4. If rp 62 is A, S, or X, enter PD 15.</p> <p>5. For all other conditions, if PD is not 01-15, enter PD 15.</p> <p>6. If requisitioner is Navy activity (Service Code N, R, V or Q), and distribution code is E or P for Polaris material, enter PD11.</p>

Data Element	Entry in Record Position Blank or Incorrect
Required Delivery Date	<ol style="list-style-type: none"> 1. If an N or E in rp 62 and PD 01-08 in rp 60-61, process. If there is an N or E in rp 62 but PD 09-15 in rp 60-61, blank the entry in rp 62-64 and process in accordance with the priority. 2. If Code 999, 777, or 555 in rp 62-64, process. 3. If rp 62 is A, S, or X, process. 4. For all other conditions, blank the RDD field if entry is not a calendar date. 5. For subsistence all requisitions will contain a specific RDD in ordinal day of year format. If blank, compute an SDD.

Advice Code Process as blank.

b. Reject documents only after an attempt has been made to correct the questionable data element or code. If rejection actions apply to more than one data element or code, and no other rejection status code applies, reject the document using Status Code CA.

c. Computed SDDs will not be entered in requisitions or related documents by supply sources. rp 62-64 of all documents will reflect only the RDDs or NMCS/ANMCS coding established by requisitioning activities and entered in requisitions. When requisitions are received without date or NMCS/ANMCS entries in rp 62-64, these columns will be left blank on all documents resulting from requisition processing. This provision helps to determine which demands require special processing, as opposed to demands processed in accordance with the time standards prescribed by the assigned PDs.

3. ICP /INVENTORY MANAGER PROCESSING OF GFM REQUISITIONS.

a. ICPs receiving GFM requisitions (requisitions which say to ship material to a contractor and bill a government activity) will validate for correct format and mandatory data. Any GFM requisition without the last eight positions of the contract number in positions 73-80 will be rejected to the originator. GFM requisitions will be validated to ensure they were forwarded to the ICP by a Management Control Activity (MCA). Those not validated will be rejected to the submitter using reject advice code CL.

b. All validated GFM requisitions will be checked for a valid, authorizing contract. The requested items and quantities must be identified on the contract as GFM.

c. All referrals from non-located MCAs will require the ICP/IM to suspend the referral from issue, generate an "AX1", MCA Validation Request and wait 15 days for the "AX2, MCA Verification Response. Negative "AX2" responses, or no response within 15 days, will require the ICP/IM to reject the referral and notify the originator using cancellation Status Code DR. The following advice codes are used for GFM requisition/validation.

Advice Code	Action
2U	Reject transaction with Status Code DB.
2R	Process the GFM requisition for the quantity indicated in rp 25-29 of the AX2. The quantity difference between the suspended transaction and the AX2 transaction will be rejected with Status Code DJ.
2Q	Reject with Status Code DQ.
2V	Reject with Status Code DN.
2M	Process under applicable Navy procedures.
Blank or invalid	Reject with Status Code DR.

d. Process Follow-ups to identify the status of requisitions or cancellation requests.

e. Supply sources in receipt of DI AT_ transactions which contain a contractor service designator code in rp 30 or 45 (they're specified in Appendix 8) and having no record of the original requisition, will create and forward a DI AX1 transaction except when the signal and fund codes indicate the issue will be with contractor reimbursement. The processing of the AX1 transaction and the responding AX2 transaction is done using procedures in this chapter.

4. Stock Point /Navy Stocking Activity Processing of GFM and Contractor Furnished Material (CFM) Requisitions.

a. Navy stock points/stocking activities will process point of entry GFM requisitions for local contracts. Point of entry GFM requisitions for centrally managed production/maintenance contracts will be rejected to the submitter using status code CL.

b. Point of entry GFM requisitions for local contracts will normally be processed "fill or kill". (If the local contract specifically states that such GFM requisitions can be referred to the central inventory manager, they will be reformatted to a Navy requisition and submitted to the Navy activity.) Upon receipt, the original GFM requisition will be processed against the receipt. The original GFM requisition will not be passed into the supply system.

c. Referrals of GFM requisitions from ICPs/Inventory Managers will be processed as normal referrals.

d. Process A4_/A5_ documents from a valid ICP regardless of whether it's for GFM or CFM. If only a partial quantity is available, do a partial issue and reject unfilled quantity to the ICP. A4_/A5_ documents, not from a valid ICP, are rejected to submitter with status code CL.

e. AT_ documents are used to determine if there is an AO_ . If not, the AT_ will be processed just as an AO_ , i.e. output to customer service, etc. AF_ documents cannot modify requisition/supplementary addresses, signal codes, or fund codes.

06016 DEMAND SEQUENCING

1. PROCESSING. When supply sources and storage activities use the sequential (or batch) method of processing and do not possess real time processing capability, they should process frequently so UMMIPS time standards are met. In every such cycle, cancellation requests (DI AC___, including automatic cancellation initiated by the supply source) and MOV reconciliation requests (DI AP___) will be processed prior to backorder releases and new requisitions (DI A0). Demands will be sequenced as follows:

- a. Priority designator in rp 60-61.
- b. OSD/JCS project codes, when entered in rp 57-59.
- c. Expedited handling signal (999 in rp 62-64) with PD 01, 02 or 03 in rp 60-61.
- d. N (NMCS) in rp 62 and PD 01-08 in rp 60-61.
- e. E (PMCS) in rp 62 and PD 01-08 in rp 60-61.
- f. F or R (work stoppage) in rp 62 and PD 06 in rp 60-61.
- g. Expedited handling signal (555 in rp 62-64) and PD 01-08 in rp 60-61.
- h. Expedited transportation signal (777 in rp 62-64) with PD 01-08 in rp 60-61. Requisitions are still subject to air challenge.
- i. Required delivery date in rp 62-64 if earlier than the computer standard delivery date.
- j. Requisition document date in rp 36-39.

2. SUPPLY SOURCE RECORDING. The initial supply source (includes stock points and inventory managers but does not include NAVICP International Programs Directorate - NAVICP OF) will record date of receipt in rp 67-69 of each requisition, redistribution order, and referral order. This date will be perpetuated in subsequent referral orders when moving material within the same distribution system, but will not be perpetuated into subsequent referral orders when moving material between different distribution systems. (In the latter case, rp 67-69 will be blank.)

a. Date of receipt will allow supply sources to compute the requisition submission time. Computation is done by subtracting the date in rp 37-39 of the demand document from rp 67-69, recognizing the year indicated in rp 36 when the value of rp 67-69 is less than rp 37-39.

b. Submission time will help inventory control points to measure the first cycle segment of supply effectiveness. The routing identifier FROM when used will be placed in rp 74-76 of redistribution orders and referral orders.

3. REQUISITION STATUS FILE. The Requisition Status File (RSF) is a record of input. All requisition actions are recorded in the RSF. Duplicate document numbers are not processed. Duplicates will be identified by entries in rp 30-43 and 44, when a suffix code is applicable.

06020 EFFECT OF PRIORITY DESIGNATOR

1. GENERAL. Each requisition will contain a Priority Designator (PD) assigned by the requisitioning activity. It will not be changed by processing points. The PD dictates internal supply processing actions (from receipt of document until release to transportation) and determines the Standard Delivery Date (SDD). For subsistence requisitions the RDD is the primary processing criteria. Time standards addressed in paragraph 5 do not apply to subsistence requisitions.
2. RESERVE MATERIAL. Occasionally we won't have enough assets to satisfy an item's demand. Therefore item managers often reserve assets by restricting their issue for specific requirements - particularly for critical items.
3. CONTROL LEVELS. Control levels will be established for item managers to reserve stock for PD 01 through 03 issues. These requirements will be satisfied by issue to zero stock balance of serviceable stocks. Control levels may be established (at the discretion of the item manager) not to issue material for PD 09 through 15 requirements.
4. PWRMS. Control levels will also be established by the supply source to restrict issues against requisitions for the initial fill of Prepositioned War Reserve Material Stock (PWRMS) consumable item requirements to ensure that:
 - a. Assets available below the Approved Force Acquisition Objective (AFAO) are not issued against requisitions for PWRMS requirements which contain Signal Code D or M in rp 51- regardless of PD.
 - b. Assets available below the Reorder Point (ROP) are not issued against requisitions for PWRMS requirements which contain a signal code other than D or M in rp 51 and a PD of 04 through 15 during initial processing of the requisition.
5. OSD/JCS project codes (and PD 01 through 03 requisitions containing code 999 in rp 62-64) are ranked above all other requisitions with the same priority designators. Code 999 requisitions and related documents will be processed expeditiously.
6. Except for subsistence, PWRMS requisitions with PD 01 through 03 will be processed for issue in accordance with UMMIPS supply source processing standards. Subsistence requisitions will be processed to meet specific RDD.
7. SUPPLY SOURCE PROCESSING OF REQUISITIONS WITH ADVICE CODE 2D, 27 OR 29. Upon receipt of any requisition displaying an advice code of 2D, 27 or 29, an edit will be performed to determine if an increase in the requisition quantity to the quantity unit pack is less or more than \$5.00. If less than \$5.00, the advice code will be disregarded. If \$5.00 or more, the advice code will be honored and processed for the exact quantity requested. When a quantity adjustment is made using the above criteria, the customer will be notified using Status Code BJ.

UMMIPS SUPPLY SOURCE PROCESSING STANDARDS

Time Standard (In Calendar Days) For Priority Designators

Time Segment	01-08 with an RDD of 999, N_,E_	01-08 with an RDD of 777, or 01-15 with RDD of 444, or 555	01-15 (Blank RDD)
Passing Action	.5	1	1
ICP Availability Determination	1	1	1
Depot/Storage Site and/or Base Processing and Packaging	1	1	5
Transportation Hold and CONUS Intransit to CONUS Requisitioner, Canada or to POE	1	4	10

8. RESPONSE TIME. Pipeline standards for material delivery exclude weekends and holidays except for segments C and D for requirements with RDDs 999, N_, or E_. Storage activity and transportation managers may combine segments C and D as long as the combined time is not exceeded. The pipeline time standards are Service level targets, that shall be met or improved upon whenever physically and economically feasible. Individual segment standards should not be considered inviolate when time is saved and service is improved.

9. RDD. Requisitions with specific RDDs will be processed to meet that date of delivery. Specific RDDs indicating other than routine processing must contain a PD, based on FAD/UND, consistent with the delivery date requested.

10. MANUAL SUBMISSION. For manually submitted requisitions or requisitions requiring manual review --- 1 day for Pds 01-08 and 3 days Pds 09-15.

06025 MATERIAL AVAILABILITY

1. ISSUE RESTRICTIONS. Once a document has passed the edit and duplicate document check, the item's stock record is reviewed. The first check is for any issue restrictions. There are two types of restrictions - imposed Issue, Repair, and Requisition Restriction Codes (IRRC) as listed in Appendix 9, and those imposed by the automated system. Issue restriction codes identify the specific approval levels and the conditions for issuing the material.

2. MATERIAL AVAILABILITY. If there are no restrictions, the next step is to determine material availability. Normally, general issue stock is calculated as on-hand minus reservations. Reservation stocks are also considered assets available for issue, if the document coding qualifies the customer for them, i.e., Reservation Release or high priority/critical requirement.

3. SUPPLY ACTION. If the material is available, totally or partially, including substitution action, then issue it. If the material is unavailable, take alternate action. Alternate supply action includes issue of partial quantity, referral, backorder, authorized procurement, or cancellation.

06030 TOTAL QUANTITY AVAILABLE

1. GENERAL. If the total quantity is available for issue, take action to:
 - a. Post the quantity issued to the stock record.
 - b. Prepare Form 1348-1A with unit price in rp 74-80 and warehouse location in Block 27.
 - c. Provide Status in accordance with the requisition's needs as provided by media and status code in rp 7 and distribution code in rp 54.
 - d. Move the transaction from issue preparation to warehouse processing.

06035 SUBSTITUTE ITEM AVAILABLE

1. GENERAL. When the item requested is not in stock, an authorized substitute may be authorized. If edit of the advice code field, rp 65-66, determines a substitute is authorized, the substitute will be issued with Status Code BG or BH provided to the requisitioner. If only partial quantity of substitute item is issued, the balance may be either referred or canceled depending on the advice code in rp 65-66 of the requisition. If partial quantity issued and the balance is to be referred, follow procedure in par. 06045 for quantity to be referred. If partial quantity is issued and the balance is to be canceled, enter DI AE and the appropriate status code for the quantity being canceled or rejected.

06040 ITEM REQUESTED NOT CARRIED

1. GENERAL. When the item is not carried and the advice code in rp 55-66 indicates a substitute is authorized, the action is the same as for an authorized substitute. If substitute item isn't available, the requisition is processed for alternate supply action.

06045 PARTIAL QUANTITY AVAILABLE AND USE OF SUFFIX CODES

1. GENERAL. Suffix codes will be assigned by activities processing MILSTRIP transactions to identify separate partial supply actions taken on the original requisition (or other document) without losing the identity of the original MILSTRIP document number. Specifically, suffix codes will be entered in rp 44 when:
 - a. Passing/referring a partial quantity.
 - b. Releasing (issuing) partial quantity.
 - c. Rejecting a partial quantity.
 - d. Backordering a partial quantity.
 - e. Backorder release of a partial quantity.
 - f. Procurement of a partial quantity.
 - g. Any other action applying to a partial quantity.

2. CONSTRAINTS. To avoid duplicating document numbers and to ease validation, the following constraints are established for assigning suffix codes:

- a. Alphas I, N, O, P, R, S, Z and numeric 0, 1, 9 will not be used in suffix codes.
- b. Numeric Suffix Codes 2 through 8 will always be used to refer partial quantities which are not available as the result of a warehouse refusal. When Suffix Codes 2 through 8 are used, Special Coding Indicator T will be entered in rp 78.
- c. The initial supply source may use Suffix Code A through D in effecting partial issues. Suffix Code E will be used by stock points to refer partial quantities to NAVICP.
- d. When it's necessary to split the requisition quantity, the stock point or inventory control point assigns Suffix Code E to the first partial action; Code J to the second; Code Q to the third, and Code W to the fourth activity. Status Code NK will be provided to the requisitioner.
- e. When a stock point receives a requisition containing Suffix Code E, J, Q, or W and only a partial quantity can be supplied, the unfilled quantity will be returned to NAVICP under the next available alpha code in the series. Management Codes 1 through 9 will be used to identify the reason for denial. Upon receipt of the returned requisition, the Navy inventory manager will be responsible for ensuring that the code assigned has not previously been used.
- f. When a warehouse refusal occurs after an issue has been transaction reported to NAVICP and status provided the requisitioner, a numeric suffix code will be assigned to the requisition in accordance with Appendix 8.

06050 INITIATING PASSING OR REFERRAL ORDERS

1. GENERAL. Passing and referral orders are used by a supply source to pass or refer a requisition to another source for action. Supply sources receiving a passing or referral order will perpetuate the same document identifier when referring the requisition to another source for continued supply action. The receipt date of the original requisition is put in rp 67-69.

- a. For referral orders submitted to the Single Manager for Conventional Ammunition (SMCA) that are backorder releases from the service ICPs, rp 67-69 will contain 888.
- b. Requisitions for items which have migrated to another inventory manager which result in account changes will be processed in the same manner as referral orders.

2. Non-NSN requisitions (mechanical) when passed or referred will be forwarded to another supply source as follows:

- a. If there's no reference data in rp 70-80, use automated communications or message.
- b. If there's reference data in rp 70-80, it's the passing/referring activity option to forward by automated communications or message, or perpetuate pertinent data and forward by mail.

3. SICA/PICA. When a Secondary Inventory Control Activity (SICA) receives a Navy requisition for an item whose Nonconsumable Item Material Support Code (NIMSC) is 5, the SICA may take supply action, if SICA stocks are available; or they may forward it to the Primary Inventory Control Activity (PICA). With the latter action, the SICA records the requisition as received and recodes the requirement as a passing order which contains the PICA RIC in rp 4-6, Signal Code C or L, and a SICA fund code in rp 52-53. Normally, a Navy SICA won't alter the media and status code assigned by the requisitioner, except for M&S Code 8, which is changed to 0 to prevent Navy SICA involvement in Material Obligation Validation (MOV) processing by the PICA. When forwarding, the Navy SICA will also provide the status recipient with supply status citing Status Code BM and the PICA's RIC in rp 67-69.

06055 ESTABLISHING BACKORDERS AT STOCK ACTIVITIES

1. GENERAL. Upon receipt of a requisition, the stock records will be reviewed to: determine if the item is available, if the item is normally stocked, or if the item isn't carried. Subsistence requisitions won't be backordered. Subsistence requisitions are processed to meet specific RDD. Requests for items not in stock or not carried are referred into the system or backordered as follows:

a. MANDATORY BACKORDERS.

(1) Items cataloged for local buy/manufacture/fabrication. These local action items must be either backordered against an established stock due or be subjected to local action to buy, manufacture, or fabricate.

(2) ICP directed backorders against the repair schedule. Limited to priorities 01-05 or CASREP/NMCS referral orders from ICPs containing Status Code NF.

(3) Servmart, Ready Supply and Shop Store IPG III requirements backordered against existing stock replenishment due or subsequent stock replenishment requirement. These backorders will be limited to retail items (cognizance symbols in the 5_ series (less 5R) and 9_ series). Centrally managed items will not be backordered.

b. OPTIONAL BACKORDERS. IPG III requisitions for "pull" material at stock points when retail stock (cognizance symbols 5_ (less 5R) and 9_) is not available and there are sufficient stock replenishment dues to cover the required quantity. This type of backorder is limited to local shore-based customers (Service Code N).

c. The establishment of backorders by stock points is limited to those cited above.

2. ICP DIRECTED BACKORDERS. Upon receipt of the A4_ referral order from the inventory manager, the following actions will be taken:

a. If the material is available for immediate issue, submit a D7 issue transaction item report to the inventory manager with Management Code M in rp 72.

b. If the material unavailable, backorder it in Purpose Code A.

c. When the backorder is established, BB status will be provided, in accordance with rp 7 and 54, with an estimated availability date in rp 70-73.

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d. When the material is not immediately available for issue (i.e., still under repair), the activity will provide backorder status to the customer with the estimated availability date in rp 70-73. (See par. 02225 for NF Referrals.)

e. Backordered requisitions are filled from the source the material first becomes available.

f. Upon receipt of a cancellation request (AC_ series) for the backorder (prior to its issue release), advise the inventory manager of the cancellation by returning the referral order (A4_) which directed the backorder to the inventory manager with a C management code in rp 72.

g. Upon material receipt, immediately release the backorder and issue the material. Submit a D7 series issue transaction item report to the inventory manager reflecting the action taken. Perpetuate the appropriate data and Management Code M in rp 72.

3. BACKORDER RELEASE. If material is available, screen backorder transactions for priority of release. Backordered requirements are merged, in the sequence listed in par. 06016, with all new documents in any requisition processing cycle in which additional assets become available, i.e., receipt of material and debit on-hand adjustments. When a partial quantity becomes available, the partial quantity is issued and the remainder held in backorder.

06060 PURCHASE ACTION REQUIRED

1. GENERAL. If the item requested is not available and purchase for direct delivery is necessary, the demand will be recorded if appropriate. Status will be provided the requisitioner and the transaction will be forwarded to the commodity manager.

06065 WAREHOUSE REFUSALS

1. GENERAL. Warehouse refusals are generated due to: not in stock condition; shelf-life expiration; poor receiving storage practices; rewarehousing or a change in material condition. Warehouse refusals should be reviewed by warehouse supervisors and should include checks on new, changed, or deleted locations.

2. ACTION. Action is taken on all warehouse refusals. When the total quantity on the 1348-1A cannot be issued, process input of the issue quantity to update the stock record and the RSF and generate a TIR to the ICP. The on-hand balance will be set to zero and the spot inventory automatically generated. Navy stock points ensure the actions on a warehouse refusal are performed as quickly as possible, with a maximum time for updating not to exceed twelve working hours. Upon completion of the spot inventory and resulting conclusions, adjustment actions will be taken to update in accordance with systems procedures. All warehouse refusals will be included in statistics provided to NAVSUP for the 1144 report, i.e., when multiple warehouse refusals occur for the same NSN all subsequent refusals will be counted.

06070 HISTORICAL OR NOT CARRIED DEMAND HISTORY

1. GENERAL. When requisitions are received from customers for items that a stock point does not carry in its stock record, it must refer the requisition to the next activity in the supply system. This activity could be another stock point or an integrated manager. The stock point records the transaction in the Historical Demand or Not Carried Demand History Record.

2. STOCKING CANDIDATES. This record should be reviewed monthly to identify those items which have had three or four recurring demand frequencies within six months. Those items then become candidates for stocking. For example:

NSN 9Z 3110-00-100-0007

Julian Date	Frequency	Quantity
9001	1	10
9030	1	20
<u>9060</u>	<u>1</u>	<u>15</u>
Totals	3	45

45 - 2 = 22.5 = Average Monthly Demands

06075 PROCESSING REQUISITION MODIFIER DOCUMENTS

1. GENERAL. Stock points will process requisition modifier documents to provide for modification of requisitions on backorder; or modification of requisitions for which a drop from inventory has not been made and a 1348-1A has not been prepared. The details follow:

a. When the stock point has no record of the original requisition and the modifier document contains:

(1) Centrally managed item, the modifier document is forwarded to the inventory manager and an AE_ status document is provided to activities with Status Code BM_.

(2) Decentralized item, the modifier document is processed as a new requisition.

b. When the stock point has a record in file of the original requisition and other than authorized data elements are changed, cancel the modifier document and provide AE_ status to the requiring activities citing Status Code D7.

c. When the stock point has a record in file of the original requisition and the data element(s) is authorized to be changed by the modifier document, process as follows:

(1) If original requisition has been processed (1348-1A) repared and drop from inventory mode) provide shipment status to the activities indicated by the media and status code and distribution code of the modifier document.

(2) If original requisition is being procured for direct delivery, modification of the requisition is not required except for:

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(a) Requisition modifier documents containing revised Country FMS Offer/Release Option Code (rp 46) and/or Freight Forwarder Code (rp 47) in an AMF document.

(b) Requisition modifier documents containing expedited handling signal 555 in the RDD data field, rp 62-64 in the AMP document.

(3) If the media and status code or distribution codes have been changed by the modifier document, the coding of the original requisition on file will be revised accordingly. Supply or shipment status as appropriate will be furnished in accordance with the coding contained in the modifier document.

d. When the requisition modifier document is not honored because the requested modifications cannot be made, supply sources will provide supply status with Status Code B2.

e. When the requested modifications have been successfully processed, supply status with Status Code BK will be provided.

f. When modifiers are referred to another supply source, the referring activity will enter the activity's RIC where the requisition has been referred in rp 4-6 and their own RIC in rp 67-69 of the DI AM_ document and retransmit. Processing points receiving these documents will not automatically pass them on to the processing point from which the document was received (i.e., "RIC From" rp 67-69) without obtaining the prior agreement of that activity.

06080 FOLLOW-UPS FROM REQUISITIONER OR SUPPLEMENTARY ADDRESSEE AND/OR DISTRIBUTION CODE (ALPHA RP 54)

1. GENERAL. Follow-up requests regarding a previous request for issue or release of material may be initiated by a requisitioner, a supplementary addressee or the monitor indicated in rp 54. Follow-ups will be processed to determine the current status of requisitions or cancellation requests previously submitted. Premature follow-up requests for supply or shipment status is not processed earlier than the time frames allowed, which are:

PD 01-08 Three days from date of requisition.

PD 09-15 Seven days from date of requisition.

Action is taken based upon the latest information contained in the requisition status files.

2. FOLLOW-UP RULES. Only the requisitioner, supplementary addressee or distribution activity may submit a follow-up. Time standards for dispatching of follow-up replies are: within 2 days from the date of receipt of follow-ups for priority 01 to 08; within 5 days from the date of receipt of follow-ups for priority 09 to 15. Follow-up DIs are:

AF1 From the requisitioner in rp 30-35.

AF2 From the supplementary address in rp 45-50.

AF3 From the distribution activity designated by an alpha or numeric entry in rp 54.

AFC Follow up (request for improved EAD/ESD).

3. FOLLOW-UP PROCEDURES.

a. Follow-up documents, in the format prescribed by Appendix 28, will be processed to determine the current status of the document for which follow-ups were submitted. Status will be furnished to the activity indicated by the third digit of the DI, and the activity designated by an alpha or numeric entry in rp 54. In those instances involving DI AT_ series documents which are converted to requisitions, status will be furnished to the activity designated by the media and status code in rp 7 and the activity designated by an alpha or numeric entry in rp 54. When determination is made that requested improvement in EADs/ESDs can be done, supply status documents containing the revised EADs/ESDs in rp 62-64 will be transmitted to status recipients designated in the original requisition.

(1) Shipment Status. If proof of shipment is available, produce a shipment status transaction for transmission to the follow-up originator and the activity designated by an alpha or numeric entry in rp 54. The shipment status will use a document identifier in the AS series. The format will be as shown in Appendix 28.

(2) Supply Status. If proof of shipment is not available, produce a supply status transaction for transmission to the follow-up originator and the activity designated by an alpha or numeric entry in rp 54. The supply status-reply to follow-up transaction will use a DI in the AE_ series except for items placed on contract which will use an AB series document.

(a) Storage activities will use DI AE6 with Status Code BE to respond to supply source follow-ups if the storage activity has a record of the MRO but no record of having taken action in response to the MRO. Supply sources in receipt of this status will validate the original requirement with the requisitioner (rp 30-35) or for GFM requisitions with the MCA designated by distribution code in rp 54 by narrative message. The MCA is responsible for taking necessary action to validate GFM requirements with the requisitioner and supply source. If the requested material has not been received, and the requisitioner's or MCA's response indicates a continued valid requirement, the supply source will generate an MRO modifiers, DI Code AM_ document which contains the same data as the original MRO. Storage activities in receipt of MRO modifiers will process them in accordance with current procedures.

b. Processing of AT Follow-ups. Processing points in receipt of follow-ups in the AT_ series will take the following actions:

(1) AT_ series follow-up received and record is held:

(a) If RDD has passed, provide status.

(b) If RDD has not passed, no action is required. It's assumed a status transaction has been provided as a function of requisition processing but the customer has not yet received it.

(2) AT_ Series follow-up received and no record held:

(a) If no record is held and item is decentralized, stock points will convert the document into a requisition and take appropriate supply action.

(b) If no record and item is centrally managed, stock point forwards DI AT to ICP.

06085 REQUISITION STATUS (FROM SUPPLIER TO REQUISITIONER OR SUPPLEMENTARY ADDRESS AND DISTRIBUTION CODE (ALPHA RP 54))

1. GENERAL. Status data is either supply status or shipment status and is prepared by supply sources in the applicable format as displayed in Appendix 28 and furnished within the time frames specified below. Status data may be informational or require additional action by recipients based on the status code in the document.

2. FURNISHING STATUS DATA. Supply sources are required to provide status data to designated activities as notice of action taken or being taken on certain requisitions using status codes in Appendix 2. Activities to receive status data and the type of status required are designated by entry of a media and status code in rp 7. See Appendix 16 for explanation of media and status codes. In addition, DAAS also generates status in selected situations as a result of editing the stock number field of requisitions. The DAAS status is furnished using DI AE9 and the DAAS RIC (from) is cited in these transactions. Specific types of status data are categorized as follows:

a. SUPPLY STATUS.

(1) REJECTION STATUS. Rejection Status is used by supply sources to advise all status eligible recipients of rejected requisitions, redistribution orders and referral orders when the incoming document does not contain sufficient information to allow processing actions.

(2) EXCEPTION STATUS. Any of the following nonpositive supply availability decisions, alone or in combination: (a) backorder, (b) procurement for direct delivery, (c) partial issue and partial other action, (d) substitution, (e) change of unit of issue, stock number, cognizance symbol, (f) requisition returned for specific cause, (g) referral order, (h) cancellation acknowledgment, (i) any circumstance which predicts that issue may not be made within the time frame established for the priority.

(3) 100 PERCENT SUPPLY STATUS. 100 Percent Supply Status is notice of all actions taken (or being taken) by supply sources on a requisition, redistribution, and referral order. This includes all positive supply action decisions, all applicable exception nonpositive supply action decisions and combinations.

(4) DIRECT DELIVERY. Direct Delivery Notice, DI codes AB1, AB2, AB3, and AB8 provide notice to eligible status recipients that material will be supplied by direct vendor delivery (DVD) from procurement. Direct Delivery Notice documents provide a cross reference between the requisition document number and the Procurement Instrument Identification Number (PIIN). DI codes AB1, AB2, AB3, and AB8 documents are generated when material is procured for direct shipment to consignee. DI code AB__ will be furnished to applicable entries in the requisition; i.e., requisitioner (rp 30-35), supplementary address (rp 45-50), and distribution (rp 54) regardless of the media and status code used. This enables customers to report nonreceipt of material.

(5) SUPPLY SOURCE, DIRECT DELIVERY NOTICE. Supply Source, Direct Delivery Notice, DI codes AB1, AB2, AB3, and AB8 notify eligible status recipients that material will be supplied by direct vendor delivery. AB__ documents will be provided to consignee. This notice cross-references the requisition number and the Procurement Instrument Identification Number (PIIN). See Appendix 28 for Direct Delivery Notice format.

(6) CANCELLATION STATUS. Notice of ability to process a cancellation request.

b. Shipment Status informs recipients of actual shipping dates (i.e., released to carrier). It also provides for interface with transportation and for shipment tracing by consignees, as provided in LMARS.

c. Acknowledgment Status is either supply or shipment status and informs recipients of the results of supply source processing of the following types of documents received:

- (1) Material Obligation Validation Response (DI AP_).
- (2) Cancellation (DI AC_ and/or AK_).
- (3) Document Modifier (DI AM_).
- (4) Follow-up Request for Improved ESD (DI AFC).
- (5) Follow-up Request for Status (DIS AFI, 2, 3, AF6 and AT_).

3. MESSAGE STATUS. When MILSTRIP message format is used to forward intra-Navy requests for continued supply action, activities will provide information copies to status receivers. A separate numbered paragraph will be added to the message as follows: Info Addressees - MILSTRIP Reqn Status Action. The preparation of separate messages is not required for furnishing status to addressees. When a requisition or follow-up is received as a MILSTRIP message and message status is required in reply, the outgoing MILSTRIP status message will reference the date/time group of the incoming message.

4. TIME STANDARDS FOR FURNISHING SUPPLY STATUS.

a. When the priority designator (rp 60-61) is 1-8, the applicable status based on rp 7 and 54 will be dispatched within 2 days after receipt of the requisitions.

b. When the priority designator (rp 60-61) is 9-15, the applicable status based on rp 7 and 54 will be dispatched within 5 days after receipt of the requisition.

c. When a requisition which has been held in backorder is released for supply action, supply status will be furnished within 24 hours after release of the backorder.

5. TIME STANDARDS FOR FURNISHING SHIPMENT STATUS.

a. Twenty-four (24) hours after shipment (i.e., release to carrier) for Priority Designator (PD) 01-03 documents.

b. Forty-eight (48) hours after shipment for PD 04-08 documents.

c. Three (3) working days after shipment for PD 09-15.

d. Twenty-four (24) hours from receipt of PD 01-03 follow-ups.

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- e. Forty-eight (48) hours from receipt of PD 04-08 follow-ups.
- f. Three (3) working days from receipt of PD 09-15 follow-ups.

6. PREPARATION AND DISTRIBUTION OF STATUS.

a. The original distribution of exception status, 100% supply status and shipment status to the requisitioner or supplementary addressee will be based on the media and status code in the original requisition. If a distribution activity is designated in rp 54, that activity will receive 100% supply status plus shipment status regardless of the media and status code. All three (requisitioner, supplementary address, and monitoring activity) when requiring may receive supply status on intra-Navy ammunition requisitions.

b. Supply status will be provided on the AE_ series DI and shipment status will be provided on the AS_ series. The DIs are listed in Appendix 4 and the formats are displayed in Appendix 28.

7. REJECTION STATUS.

a. When a Supply Source receives a requisition which contains insufficient information and processing can't be completed, the requisition may be rejected to advise all eligible recipients, i.e., rp 30-35, 45-50, and 54 of the rejection using the appropriate status code in Appendix 2. Inquiry may be made to obtain the additional information necessary to continue processing versus rejection. The activity(ies) designated by the Media and Status Code in the requisition as status recipients will be the action addressee(s) on all requests for additional information, except for Code 8. When M&S 8 is used, supply status rejection will be sent only to the activity designated by rp 54.

b. Other activities identified in the requisition which are not designated as status recipients will be the information addressee(s) on requests for additional information. When such an inquiry for additional information is made, an AE_ Supply Status Transaction with BD status will be forwarded to all designated status recipients.

c. Further action on a requisition (where additional information has been requested) will be suspended until a response is received or thirty (30) days have elapsed from the date of the inquiry - whichever occurs first. Processing will resume once the information is received. If the additional information isn't received and thirty days elapse, the requisition will be rejected with Status Code D3.

d. Status documents indicating rejection with Status Code CA will be prepared in narrative message format and will include the reason for rejection. Subsequent responses to follow-ups on which CA status has previously been provided will be prepared using normal supply status format and transmitted via automated network communications. No transmission of the reasons for rejection will be made in response to follow-ups unless the supply source is in receipt of an off-line (mail, message, or telephone) request from an authorized status recipient.

e. MCAs will be responsible for furnishing rejection status for requisitions processed by themselves. Supply sources will be responsible for maintaining and furnishing current supply and shipment status. To provide timely response to follow-ups, requisition history records will be maintained by MCAs and supply sources for a minimum of six months after completion of shipment or cancellation. MCAs will maintain requisition history records until contract termination.

8. EXCEPTION STATUS.

a. Exception supply status will be furnished when a requisition is to be backordered against a due-in to stock. This exception status will contain Status Code BB and the estimated shipping date for release of material from stock to customer. When shipping dates are adjusted, additional status and Status Code BB will be furnished.

b. Supply sources, other than Navy inventory managers and NAVICP, will furnish exception status when the intent to process for direct delivery is known. This exception status will contain Status Code BZ when known that procurement action for direct shipment to the consignee will be taken. When contracts are actually awarded, a shipping date is established. Navy inventory managers, inventory control points, and stock points will provide the Direct Delivery Supply Status Transaction (DI AB_ series). When estimated shipping dates are adjusted on items scheduled for direct delivery, additional status will be provided with Status Code BV citing the revised estimated shipping date. When delivery dates are established for direct shipment to consignees, the supply source will provide the consignee a Direct Delivery Notice, DI code AB___. The Direct Delivery Notice is in addition to AE___ supply status.

9. CANCELLATION STATUS.

a. Supply sources will furnish status on cancellation actions within 5 days of receipt of AC_ or AK_ documents. This status will be updated as further actions are taken on the cancellation request. Supply and shipment status furnished in response to Cancellation Documents AC1 through AC3 will be addressed to the requisitioner, supplementary address, and the activity designated by an entry in rp 54.

b. For all ILP transactions, supply and shipment status should only be distributed in accordance with the Media and Status Code (rp 7) and the Distribution Code (rp 54).

c. In addition, storage/procurement activities and/or supply source (when direct vendor delivery actions (BV) are applicable) will furnish the Defense Automatic Addressing System (DAAS) Shipment Status (DI AU7) on all affected shipments which have entered the Defense Transportation System (DTS) during mass cancellation situations.

d. Supply and shipment status will be furnished in response to receipt of follow-up to cancellation requests (AK1 - AK3 documents) as follows:

(1) If no record of receipt of cancellation request (AC_), furnish status as directed in paragraph a. above. However, if the M&S Code in the original record is 8, supply and shipment status will be furnished only to the activity designated by rp 54.

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(2) If there is a record of receipt of a cancellation request and status had been provided, status should be furnished to the activity identified by the third position in the AK_ document. However, if the M&S code in the original record is 8, supply and shipment status will be forwarded only to the activity designated by rp 54.

e. Supply and shipment status will be furnished in response to mass cancellation messages in accordance with par. a. above.

f. Supply Status with Status Code BF furnished in response to cancellation requests (DIs AC_ or AK_) will preclude supply source processing of subsequently received documents. When BF status has been provided in response to a cancellation request, BF status will also be provided in response to all other documents (e.g., AF_ , AT_ , AO_ , AM_) received which contain the same document number. No other processing of such documents will be done by supply sources. Supply sources will retain history records of BF status generated as a result of cancellation requests (DIs AC_ or AK_) for a minimum of six (6) months following generation of the BF status.

10. SHIPMENT STATUS. When shipment status has not been requested and the entry in rp 54 is nonsignificant, supply sources will generate AS8 shipment status to DAAS.

06090 SUPPLY SOURCE PROCESSING OF PWRMS REQUISITIONS

1. GENERAL. Supply sources, except General Services Administration (GSA), will process funded and unfunded requisitions for the initial fill or Prepositioned War Reserve Material Stock (PWRMS) consumable item requirements in accordance with the criteria established below. The GSA will process only funded requisitions for PWRMS requirements and will not differentiate between PWRMS requisitions and others.

2. SUPPLY SOURCE ACTION. Upon receipt of PWRMS requisitions for the initial fill of consumable item requirements (Demand Code 0 in rp 44 and Project Code 3AA in rp 57-59) the supply source (inventory manager) will determine asset availability in excess of the Approved Force Acquisition Objective (AFAO) and:

a. If sufficient assets are available in excess of the AFAO to satisfy the total requisition quantity, the total requisition will be processed as free issue, regardless of the signal code in rp 51.

b. If the assets available in excess of the AFAO are not sufficient to satisfy the total requisition quantity, then the portion of the requisition quantity equal to the quantity of assets available in excess of the AFAO will be processed as free issue, regardless of the signal code in rp 51. The balance of the requisition quantity will be processed in accordance with par. 3. below.

3. ASSETS UNAVAILABLE. When the supply source determines assets are unavailable in excess of the AFAO, the signal code in rp 51 of the PWRMS requisition for initial fill of consumable item requirements (Demand Code 0 in rp 44 and Project Code 3AA in rp 57-59) is checked and:

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a. If the Signal Code is D or M, the unfilled quantity is rejected. The rejection is done under Status Code CB since all unfunded PWRMS requisitions are processed as "fill or kill."

b. If the Signal Code is not D or M, the PWRMS requisition is processed as containing Advice Code 2L in rp 65-66 and the PD in rp 60-61 is checked to determine further processing.

(1) Except for subsistence, PWRMS requisitions with PD 01 through 03 will be processed for issue in accordance with UMMIPS supply source processing standards. Subsistence requisitions will be processed to meet specific RDD.

(2) Except for subsistence, PWRMS requisitions in PD 11 through 15 for issue from assets available above the Reorder Point (ROP) or equivalent. When assets above the ROP or equivalent are not available to satisfy the requisitioned quantity, the unfilled quantity will be placed on backorder and appropriate supply status will be provided with an estimated shipping date equal to one procurement lead time. Backordered PWRMS requisitions with PD 11 through 15 will be released from backorder at the end of the procurement lead time or when sufficient stocks are available above the ROP. (PWRMS requisitions with PD 04 through 10, when received, will be processed in the same manner as PD 11 through 15 requisitions.)

06095 SHIPMENT TRACING

1. ACTION. Supply sources (including depot or procurement administrator when direct vendor delivery is applicable, but excluding small business firms or civilian contractors not required to process follow-ups received from military sources) upon receipt of an AFT, Request for Shipment Tracing, on registered, insured and certified mail/parcel post, will:

a. Initiate tracer action under U.S. Postal Service Regulations to the post office from where the parcel was mailed. Postal Service Form 1510 or other prescribed form will be used.

b. On receipt of post office response, take action as follows:

(1) If notified that the parcel was lost, destroyed, and/or that proof of delivery could not be furnished, notify the consignee accordingly by off-line narrative message to include advice to prepare Shipment Discrepancy Report in accordance with Joint Regulation DLAR 4140.55, AR 735-11-2, NAVMATINST 4355.73B, AFR 400.54, MCO 4430.3H.

(2) If notified that the post office has proof of delivery, notify the consignee (based on signal code rp 51) by off-line narrative message, including particulars concerning proof of delivery, with an information copy to ICP/IMM involved.

c. When the supply source is a small business firm or civilian contractor not required to process follow-ups received from military sources, the AFT, Request for Shipment Tracing, on registered, insured and certified mail/parcel post will be forwarded to NAVICP for processing.

d. Shipments by GBL, CBL, TCMD are traced using DoD MILSTAMP shipment tracing capabilities to the carrier shown on the shipping document.

06100 PROCESSING SINGLE LINE CANCELLATION REQUESTS

1. GENERAL. Supply sources, procurement, and storage activities are to take utmost care to prevent issue and shipment of unwanted material. The practical considerations involved in processing cancellation requests include such factors as time, related packing and handling costs, the dollar value, and location of material for which cancellation is requested.

2. BACKGROUND. General rules for the disposition and diversion of material which has been shipped follow:

a. Supply sources are responsible for providing diversion and/or disposition instructions for all items under their cognizance destined for overseas which have progressed to the point where procurement actions could not be terminated or shipment into the Defense Transportation System has already occurred. When overseas shipments have been lifted from CONUS terminals, the responsibility for diversion or disposition belongs to the consignee, the appropriate commander, or service headquarters.

b. Supply sources may request diversion or disposition instructions from Service/Agency contact points for both nonstocked and non-NSN items. However, supply sources may, based on their stock position, divert material to depot stock.

c. Services/Agencies may predetermine and designate alternate consignees so that the DoD Activity Address Code (DODAAC) of these activities may be inserted in subsequent MILSTRIP and/or MILSTAMP documents. These predetermined destinations will be based on considerations in par. 06100.1 and 2a above, and may vary by national stock number, class, or group.

d. When overseas shipments cannot be diverted or held for disposition, storage and procurement activities will advise supply sources when elements of the Defense Transportation System (DTS) were unable to accomplish the desired shipment diversion or hold. The supply source will supply shipment status (DI AE_) to all eligible recipients of status. These documents will contain a date in rp 57-59, as provided by the clearance authorities, indicating the date the shipment was lifted from the terminal for delivery overseas.

e. When diversion of overseas shipments is done by the DTS, supply sources will furnish all eligible recipients supply status (DI AE_) with Status Code B6. The advice of actions taken by the DTS will be provided in accordance with the MILSTAMP Regulation, DoD 4500.32-R.

f. Supply sources will automatically cancel unfilled quantities of material obligations/open requisitions upon deletion of a DoDAAC from the DoD Activity Address Directory, DoD 4000.25-D. Supply and shipment status will be provided authorized recipients. If DAAS does not have a recorded DODAAC, the status is disposed.

g. Costs incurred in cancellation/diversions will be billed as provided in par. 06105.8.

h. No attempt is made to stop/divert shipment to CONUS (domestic) consignees once released for shipment, regardless of mode of shipment.

06105 SUPPLY SOURCE PROCESSING OF SINGLE LINE CANCELLATION REQUESTS

1. GENERAL. DIs AC1, 2, and 3 Cancellation Requests will be processed as prescribed in par. 06016 including distribution of initial status, as follows:

- a. First, against backorders in the following order of assigned Status Codes BB, BC, BD, BV, and BZ.
- b. Second, against unconfirmed shipments (Status Code BA).
- c. Third, confirmed overseas shipments (DI AS_ and/or AR_), when shipped (to surface/aerial POEs and SEAVAN assembly points) prior to ICP receipt of DI AC_ documents in less than the number of days below:

Shipment Mode	Number of Days
Surface	45
Air	10

- d. Fourth, against all other status.

2. QUANTITY. Cancellations are initiated against the quantity in rp 25-29 of the DI AC_ document received. When the quantity in a cancellation request cannot be determined because of garbled or improperly punched entries, the requisition quantity or fill or backordered quantity will be edited for a quantity of one. If the quantity is equal to one, the cancellation request should be processed. Otherwise, the request will be rejected to the activity designated by the third position of the DI AC_ document using DI AE_ with Status Code CD.

3. EDIT. Cancellations are edited to prevent duplicate cancellations. As a minimum, the edit will compare quantity (rp 25-29), document number (rp 30-43), suffix (rp 44) and preparation date (rp 62-64). Duplicates are discarded. All other cancellations are done as received. When a DI AC_ document is received with a blank or garbled date of preparation (rp 62-64), the Julian day of receipt (at the supply source) is entered and processing continues.

4. TIMING. Regardless of dollar value/quantity, cancellation requests will be processed to immediately cancel quantities for which requisitions and purchase requests have not been submitted to depot/storage and procurement activities.

5. BACKORDERS. If the cancellation request quantity is equal to or less than the backorder quantity at the supply source (Status Codes BB, BC or BD), cancellation is immediately and supply status (DI AE_) with Status Code BQ will be provided to all authorized recipients. Since cancellation action cannot be effected immediately on backorders with Status Code BV, supply status (DI AE_) with Status Code B9 will be furnished all authorized recipients.

6. CANCELLED QUANTITY GREATER. If the quantity in the DI AC_ cancellation request is greater than the backorder quantity (if any), but equal to or less than the recorded requisition quantity, the supply source will take cancellation action under prescribed criteria. This criteria applies to FMS and MAP Grant Aid. When the cancellation request is greater than the recorded requisition quantity, cancellation action will be initiated on the recorded quantity.

7. SHIPMENTS ALREADY RELEASED & DVD. Material on cancellation requests for released shipments, and for direct vendor deliveries with Status Code BV, will be considered for diversion by the supply source to depot stock or to fill other demands/backorders, or for contract termination. The foregoing also applies to nonstocked and non-NSN material at Service/Agency option, when there is a foreseeable demand for the item.

8. BILLING. In the event actions in par. 7 above are taken, Status Code B4 may be furnished to indicate that the activity designated by the signal code in canceled requisition may be billed as follows:

- a. Transportation costs for returning the material to depot/storage, and/or
- b. Procurement termination costs when it is determined that termination is in the best interest of the Government.
- c. Specific instructions concerning material, transportation charges and credit allowances are contained in the DoD Directives 7200.7 and 7420.1 and DoD Instruction 7420.12.
- d. In addition to costs in paragraphs. 8a and 8b above, when applicable, rebuild costs and other expenses incurred in canceling FMS and MAP Grant Aid requisitions will be billed by the supply source in accordance with the DoD Military Assistance and Sales Manual, Parts II and III (DoD 5105.38-M).

9. DEMAND RECORDED. Demand data previously recorded will be reversed by the quantity actually canceled or diverted into the storage activity.

10. STATUS. Notice of the success or failure of cancellation or diversion actions will be provided to all eligible status recipients identified in the original requisition. This notice will be in the format of supply status (DI AE_) or shipment status (DI AU_) as follows:

- a. Supply status (DI AE_) with Status Codes B4, B6, BQ, BR or BS apply to cancellations/diversions accomplished.
- b. Supply status (DI AE_) with Status Code B9 to indicate that cancellation/diversion action is being attempted.
- c. Shipment status (DI AU_) will be furnished to indicate that cancellation/diversion was not done.
- d. Supply status (DI AE_) with Status Code B8 will be furnished when cancellation was not done and Status Code B9 was previously furnished.
- e. Supply status (DI AE_) with Status Code BF will be furnished to indicate no record of the document for which cancellation was previously furnished.
- f. Supply status (DI AE_) with Status Code C_ or B_ will be furnished for those transactions where the supply source has a record of a previous cancellation or rejection.

06106 SUPPLY SOURCE SUBMISSION OF SINGLE LINE CANCELLATION/DIVERSION REQUESTS TO PROCUREMENT

1. GENERAL. Requests for cancellation/diversion will be submitted to the procurement activity in the format of DI ACP shown in Appendix 28. Entry of the Procurement Instrument Identification Number (PIIN) or Purchase Request Number (PRN) will be depend on whether a PIIN has been assigned to a contract and is known to the supply source at time of receipt of cancellation request. When the PRN is used, the DoDAAC of the consignee to which shipment is to be diverted, should be reflected in rp 45-50. When the supply source does not desire diversion, rp 45-50 is left blank.

2. SUPPLY SOURCE RESPONSIBILITY. Supply sources will decide whether the cancellation/diversion or "hold" actions will be suspended or continued. Decisions to continue cancellations or diversion will be provided to procurement activities by cancellation requests prepared in the manual format and containing the notation: "Decision for cancellation or diversion by supply source."

3. PROCUREMENT ACTIVITY RESPONSIBILITY. Cancellation/diversion requests or requests for determination as to whether cancellation is in the best interest of the Government will not be submitted to procurement activities when:

a. The dollar value of the request is less than \$200.

b. DD Form 250, Shipment Performance Notification (SPN), vendor shipment notice or equivalent is recorded indicating:

(1) Shipments to CONUS consignees, regardless of dollar value.

(2) Shipment to overseas consignee were released to carriers, in excess of the number of days prescribed in par. 06105.1c.

(3) Shipment/delivery by air mail or parcel post. In this case, shipment status (DI AU_) will be furnished in response to DI AC_ cancellations received.

Note: As an exception, for intra-service only, cancellation/diversion may be submitted to procurement regardless of dollar value when critical/short supply items are affected.

4. STATUS. Notice of the success or failure of cancellation or diversion actions will be provided all eligible status recipients, identified in the original requisition. This notice will be in the format of supply status (DI AE_) or shipment status (DI AU_) as follows:

a. Supply status (DI AE_) with Status Codes B4, B6, BQ, or BS apply to cancellations/diversions accomplished.

b. Supply status (DI AE_) with Status Code B9 to indicate that cancellation/diversion action is being attempted.

c. Shipment status (DI AU_) will be furnished to indicate that cancellation/diversion was not done.

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d. Supply status (DI AE_) with Status Code B8 will be furnished when cancellation was not done and Status Code B9 was previously furnished.

5. DRMS will forward cancellation requests (DI AC6) or follow-ups on Cancellation Requests (DI AK6) to DRMOs when a Material Release Confirmation (MRC) (DI AR_) has not been received for item(s) requisitioned from Property Disposal. If the MRC has been received from the DRMO, Shipment Status (DI AU_) will be forwarded by DRMS to eligible status recipients.

**06110 PROCUREMENT ACTIVITY PROCESSING OF SINGLE LINE
CANCELLATION/DIVERSION REQUESTS**

1. PRIORITY. DI ACP and manual cancellation/diversion requests will be processed in the sequence of priority designators.

2. NO FIRM ORDER. Immediate cancellation action will be taken when contracts have not been awarded and/or firm orders have not been issued/placed.

3. FIRM ORDER. Procurement activities will advise the supply source of contractual agreements. This may result in unfavorable cost conditions if cancellation, diversion or "holding" actions are done. Supply sources will decide whether the cancellation, diversion, or "hold" actions will be suspended or continued. Decisions to continue cancellation or diversions will be provided to procurement activities by cancellation request documents prepared in the manual format and containing the notation: "Decisions for cancellation or diversion by supply source."

4. CANCELLATION COST. The cost of diversion or shipment "hold" actions is provided to the supply source for billing. Cost incurred in contract termination and diversion is furnished to supply sources for billing.

5. DIVERTING SHIPMENT. Procurement activities are required to initiate actions with clearance authorities to cause diversion of shipments at terminals. (Not applicable to transactions resulting from mass cancellations.) Procurement activities requiring diversion instructions when rp 45-50 are blank, request these instructions from the activity designated by the RI Code in rp 78-80. Such requests will be done by telephone or message.

6. SUPPLY SOURCE DECISION. When the above cancellation/termination or diversion/hold actions would not be in the best interest of the Government, the supply source will be requested to furnish a decision by a specified date.

7. PROCESS TIME. Actions to cancel, divert, or terminate contract(s) will be initiated within one working day from the receipt of cancellation request(s). These actions will be completed as expeditiously as possible, but will not exceed five working days for priority 01-08 requests and ten working days for priority 09-15 requests. When multiple cancellation requests are received on the same day, consideration will be given to the priority of the requests, overseas destination, the dollar value of the material, and the contract status.

8. The procurement activity will advise the supply source that the attempted stop/diversion action has/has not been done, by the DTS, within two working days of receiving the confirmation/denial notification from the DTS.

06115 SUPPLY SOURCE SUBMISSION OF SINGLE LINE CANCELLATION/DIVERSION REQUEST TO STORAGE ACTIVITIES

1. GENERAL. Supply source cancellation requests (DI AC6) or follow-ups on cancellation requests (DI AK6) will be submitted to storage activities:

a. When Status Code BA is recorded (regardless of dollar value and quantity) but Material Release Confirmation (MRC) isn't received. It applies to Priority Designator 01-15 requisitions, MROs, DD 1348-1A for U.S. Forces domestic and overseas, FMS, and MAP Grant Aid.

b. When MRC is recorded on an overseas shipment which was released to carrier for shipment to POE, less than 45 days by surface mode or less than 10 days by air mode, and the dollar value of the shipment exceeds \$200.

2. DIVERSION LOCATION. The DI AC6 contains the DODAAC of the activity to which shipments will be diverted in rp 45-50 - when shipment has already been released. When the supply source does not desire or cannot provide diversion to a specific activity, rp 45-50 is blank. In the latter case, the supply source provides alternate destinations upon the storage activity's request.

3. SUPPLY STATUS. In the case of attempted diversion, supply status (DI AE_) with Status Code B9 is provided eligible recipients.

4. EXCEPTIONS. Supply sources will not provide storage activities with requests for cancellation/diversion when:

a. In receipt of MRC at the time of receipt of cancellation request, and the item requested for cancellation has a line item value of less than \$200 and is for overseas shipment.

b. In receipt of MRC and shipment is done by parcel post, air mail or United Parcel Service.

c. When MRC is recorded on an overseas shipment which was released to carrier for shipment more than 45 days by surface mode or 10 days by air mode.

d. In receipt of MRC and shipment to a CONUS activity was done prior to receipt of the cancellation request.

5. SHIPMENT STATUS. In the instances described in par. 4 above, shipment status (DI AU_) will be furnished eligible status recipients.

6. FOLLOW-UP. A follow-up on Cancellation Request (DI AK6) may be submitted to storage activities as a result of receipt of DI AK_ by the supply source from the requisitioner, supplementary address or control activity (rp 54). A DI AK6 may also be forwarded to the storage activity by the supply source as a result of nonresponse to a previous DI AC6.

7. STORAGE ACTIVITY PROCESSING OF SINGLE LINE CANCELLATION DIVERSION REQUESTS.

a. DI AC6s will be processed in the prescribed sequence.

b. Records will be maintained to enable determination as to whether line items shipped were in single line or multiline shipment units and the respective dollar value of each. This will enable identity of shipment units which are susceptible to cancellation and to determine whether cancellation actions should be continued in accordance with the following policies and procedures.

c. To the extent that processing capability is available, the Services/Agencies will develop and maintain data to:

(1) Enable the depot work area to determine which shipment should be processed. Work areas for consideration are as follows:

COMPUTER	STORAGE	SHIPMENT PREPARATION	SHIPPING
Mechanized processing of AC6s, and output of DD Forms 1348-1A and stop shipment notices	Bin Area Bulk Area	Preservation Packaging Packing Consolidation Parcel Post	Consolidation Air Freight Motor (Truck) Freight Rail Freight

(2) Include the maximum time experienced in processing 1348-1As shipments in each above work area (within total time allowed by UMMIPS from receipt of MRO to release to transportation). Such data would provide a basis for determining the work area(s) where stop shipment action could most likely be taken on receipt of a DI AC6. Also, document priority should be considered as it affects processing time in hours versus days.

d. The storage activity, upon receipt of a DI AC6, will determine the appropriate work area(s) to which stop shipment notices would be sent when cancellation of an in-process Form 1348-1A/shipment is required. The stop shipment notices will include pertinent line item/document identification, priority and information as to whether a single or multiline shipment unit is involved. A separate stop shipment notice is issued to the current work area and each other work area(s) through which the shipment would subsequently be processed.

e. Cancellation will be done for all items/quantities for which 1348-1As have not been released to storage work areas.

f. Cancellation will be attempted for all items/quantities for which 1348-1As have been released to storage work areas and there is no record of transportation release to a carrier, unless:

- (1) Dollar value is less than \$25 for a single line shipment unit, or
- (2) Dollar value of a single line packed in consolidated shipment unit is less than \$200.

g. The storage activity advises the supply source and, if applicable, all eligible status recipients of actions in response to cancellation requests. This notice is provided as follows:

(1) When the storage activity has no record of the MRO receipt, the supply source will be provided DI AE6 status with Status Code BF.

(2) When the item(s) has not left the depot and cancellation is finished, respond only to the supply source - in the same format as the cancellation request document - with the exception that rp 4-6 will contain the RIC of the supply source to which the document will be transmitted and rp 67-69 will contain the RIC of the activity preparing the document. This document ID will be AG6.

(3) When cancellation is not attempted due to less than \$25/\$200 criteria above, the storage activity will furnish the supply source DI AE6 status with Status Code B8.

(4) When the item(s) has been released to a carrier in shipments destined to a CONUS customer, no action will be taken to stop/divert the material beyond the point of shipment. In this instance the supply source will be provided with Reply to Cancellation Request - Material Release Confirmation (DI AUO, AUA, or AUB) and all eligible status recipients will be provided with Reply to Cancellation Request - Shipment Status (DI AU).

(5) When the item(s) has been released to a carrier in shipments destined for an overseas consignee, the storage activity will initiate actions as prescribed in DoD 4500.32-R, Military Standard Transportation and Movement Procedures (MILSTAMP) to stop/divert shipments within the DTS. In this instance the supply source will be provided DI AE6 status containing Status Code B9.

(6) The storage activity won't take action to stop/divert overseas shipments within the DTS when:

(a) The items are consolidated in a multiline shipment unit.

(b) The items were in overseas shipments released to carriers for shipment more than 45 days by surface or more than 10 days by air mode prior to receipt of AC6.

(c) The items were shipped to overseas customers by air mail, parcel post, or United Parcel Service.

(d) Single line item shipment has a total dollar value of less than \$200.

(e) The single line item shipment unit(s) has a total dollar value of less than \$1,000 and was shipped in consolidation with other shipment units in larger containers, e.g., CONEX and SEAVAN.

(7) Following receipt of confirmation that shipment stop/ diversion action has been done by the DTS, the storage activity will provide supply source DI AE6 status containing Status Code B6.

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(8) When the storage activity does not take stop/divert action with the DTS because of one of the conditions in par. g(6) above or, when notified that a requested stop/divert action has not been done by the DTS, the storage activity will provide Reply to Cancellation Request Shipment Status (DI AU1, AU2 or AU3) to all eligible status recipients and Reply to Cancellation Request - Material Release Confirmation (DI AUO, AUA or AUB) to the supply source. At the option of the supplying Service/Agency, Reply to Cancellation Request - Shipment Status (DI AU1, AU2 or AU3) may be provided to all eligible status recipients by the supply source rather than directly by the storage activity. In this latter case, the storage activity will only generate the Reply to Cancellation Request - Material Release Confirmation (DI AUO, AUA or AUB) to the supply source.

h. Storage activities requiring diversion instructions when rp 45-50 of the DI AC6 cancellation is blank, will request such instructions from the activity designated by the activity code in rp 67-69. Such requests will be made by telephone or message.

i. Actions under paragraphs. 7c through 7g will be completed in:

(1) Two working days for priority 01-08.

(2) Five working days for priority 09-15.

j. The storage activity will advise the supply source that the attempted stop/diversion action has/has not been done by the DTS within two working days of receiving the confirmation/denial notification from the DTS.

06120 RECORDING PLANNED REQUIREMENTS

1. ESTABLISHMENT. Stock points may establish planned requirement quantities on stock balance transactions using Purpose Code Z for items needed to support local and satellite industrial and operating activities. A control file of planned requirement transactions will be maintained, identified with the applicable purpose code, and document number in support of the planned requirement quantities in the requirements reservation file.

2. SUBMITTING REQUESTS. Stock points may transmit requests for planned requirements (identified with Purpose Code Z) to the ICP, if it's desired that the material required be furnished or protected by the inventory manager.

3. BY ICP DIRECTION. Stock points may be directed to establish requests for planned requirements as directed by the ICP, by transactions identified with DI DGA and the applicable MILSTRAP Purpose Code S.

4. DI. The planned requirement quantity will be changed through use of DI BPR or DGA and Transaction Code D. Planned requirement transactions having Purpose Code Z will be transmitted to the applicable ICP when protection by the ICP is desired.

**06125 STOCK POINT ACTION ON REQUESTS FOR PLANNED REQUIREMENTS
ACKNOWLEDGED OR REJECTED BY INVENTORY MANAGER**

1. INVENTORY MANAGER RESPONSE. The inventory manager indicates the action on requests for planned requirements received from stock points by a planned requirement acknowledgment or rejection transaction, DI BPA or BPX, respectively. The planned requirement acknowledgment transaction is provided when the inventory manager provides central protection from available system stocks. In this instance, the customer requisitions material through normal supply channels.

2. ACCEPTANCE. When protection of the planned requirement quantity at a stock point is desired by the inventory manager, a planned requirement reservation transaction, DI DGA, with Purpose Code S, will be provided. In these circumstances, the inventory manager may direct protection at either the stock point that submitted the request for planned requirement or at another stock point. In either event, the inventory manager will provide an acknowledgment to the requiring activity. Requiring stock points will replace the original Purpose Code Z planned requirement transaction with the inventory manager provided BPA or DGA transaction is received. Upon receipt of the inventory manager DGA transaction, the stock point will determine if the requirement has been previously established on the requirements reservation file. If the requirement has not been established, take appropriate action to establish the planned requirement on the requirements reservation file.

3. REJECTION. In the event of inventory manager rejection of a planned requirement request, the stock point will disestablish the planned requirement or will invalidate the requirement and resolve final action by contact with the inventory manager.

06130 FOLLOW-UP ON REQUESTS FOR PLANNED REQUIREMENTS

1. GENERAL. Stock points may transmit follow-up transactions to the inventory manager if acknowledgment or rejection transactions have not been received within 14 days. DI BPF will be used and all data will be perpetuated from the original requests. Inventory managers will reply to follow-ups by forwarding acknowledgment or rejection transactions in accordance with par. 02143.

06135 CANCELLATION OF PREVIOUSLY ESTABLISHED PLANNED REQUIREMENTS

1. GENERAL. Stock points or the inventory manager may cancel a previously established planned requirement by submission of a Planned Requirement Cancellation Request, DI BPC. All data will be perpetuated from the original request.

2. REQUIREMENTS RESERVATION FILE. Canceling previously established planned requirements will require replacing the corresponding planned requirement quantity in the requirements reservation file with DI BPC and Transaction Code D. Locally initiated cancellation transactions will be transmitted to the applicable inventory manager to advise that protection of the planned requirement is no longer desired.

06140 RELEASE OF PREVIOUSLY ESTABLISHED PLANNED REQUIREMENTS

1. GENERAL. Stock points will record and report the issue of material - to satisfy previously established planned requirements - under the original document number. If unable to issue under the original document number, the planned requirement quantities will be reduced in proportion to the passage of time. If the expiration date passes, reduce it. Do this during monthly review of the planned requirements reservation file. The planned requirement cancellation request, DI BPC, will be submitted to the inventory manager.

06145 RESERVATION PROCESSING

1. GENERAL. Requisitioners reserve material, through the inventory manager, to ensure future availability. The reservation means that the requisitioner has obligated funds, so the inventory manager can feel confident about ordering material for it. When inventory managers receive a request, they must certify that the stocks will be available to the requisitioner... either within the supply system or at a specified stock point. Or if sufficient data is not on the request document to allow the inventory manager to make such a commitment, they must advise the requisitioner. The various documents used in requesting, establishing, and processing reservations are listed below. These documents will be prepared in accordance with the following formats displayed in Appendix 28 and referenced below:

Document Title	DI
Request for Reservation	BRR
Reservation Acknowledgment	BRA
Reservation Status	BRS
Reservation Rejection	BRX
Reservation Cancellation	BRC
Reservation Follow-up	BRF
Backorder- Reservation	DG_

2. REQUISITIONER RESPONSIBILITIES. A requisitioner desiring to request the establishment of a reservation against a firm funded requirement will submit a request for reservation (BRR) to the inventory manager. A reply to the request should be received from the inventory manager within 14 days from the Julian date of the document number. If a reply is not received, a reservation follow-up transaction (BRF) may be submitted to the inventory manager.

a. In reply to his request for reservation, the requisitioner will receive one of the following:

(1) A reservation acknowledgment transaction (BRA) indicating that the reservation is being protected centrally and that the requisitioner may draw out the material by submission of a requisition to the normal source of supply. When drawing out this material, the requisitioner must perpetuate the NSN, document number, status, purpose, condition, and management codes contained in the BRA transaction.

(2) A reservation status transaction (BRS) indicating that the reservation is being protected at the stock point shown in rp 67-69 and that the requisitioner may draw out the material by submission of a requisition to that stock point by perpetuating NSN, document number, status, purpose, condition and management codes contained in the BRS transaction. The activity designated to protect the reservation may or may not be the requisitioner. When the inventory manager designates the requisitioner to protect his own reservation requirement, the routing identifier of the requisitioner will appear in rp 67-69 of the BRS transaction and, in addition, the requisitioner will receive a backorder reservation transaction (DG_) from the inventory manager.

(3) A reservation rejection transaction (BRX) indicating that the inventory manager has rejected the request for the reason cited in rp 65-66 of the rejection transaction.

b. Requests for reservations which have been approved by the inventory manager will only be canceled as follows:

(1) If the requisitioner elects to cancel a reservation, a reservation cancellation transaction (BRC) must be submitted directly to the inventory manager.

(2) If the required delivery date in rp 62-64 of the BRA/BRS transaction has expired and the requisitioner has not drawn out the reserved material, the inventory manager will advise the requisitioner of cancellation action by issuance of a reservation cancellation transaction (BRX) with Status Code RY in rp 65-66. The inventory manager will cancel the reservation in the central record and will also issue a cancellation (DG_ reversal transaction) to any stock point at which the reservation may have been protected.

3. RESPONSIBILITIES OF STOCK POINTS DESIGNATED TO PROTECT RESERVATIONS.

Upon receipt of a backorder reservation transaction (DG_) from the inventory manager, the stock point will post the quantity to the requirements reservation file of the applicable purpose code requirements reservation file and will hold the backorder reservation transaction in the requirements reservation file. The stock point will take necessary action to protect the quantities posted in the requirements reservation file. Authorization to release and/or cancel a reservation is limited to the following situations:

a. AUTHORIZED RELEASES.

(1) GENERAL. The stock point is authorized to release a reservation when in receipt of a requisition which matches a record in the requirements reservation file, i.e., NSN, document number, status, purpose, condition and management codes. Concurrent with the release of material, the stock point will take action to adjust the applicable record in the requirements reservation file. When the reservation is released by a reporting stock point, a D7_ issue transaction will be forwarded to the inventory manager.

(2) AVAILABLE. When operating stocks are not available, a stock point is authorized to release reserve material if in receipt of a referral order from the inventory manager citing Management Code L. The release of the reserve material shall not affect the quantity posted in the stock point's requirements reservation file. The stock point will forward a D7_ issue transaction to the inventory manager who will, upon receipt, take action to replace the expended reservation quantity.

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(3) UNAVAILABLE. When operating stocks are not available, release of Prepositioned War Reserve Material Stocks (PWRMS) held for Fleet support element is authorized to fill requisitions from Fleet units regardless of priority and to fill Priority 1 and 2 Navy requisitions from non-Fleet units. The release of the PWRMS shall not affect the quantity posted in the stock point's requirements reservation file. When the PWRMS is released by a reporting stock point, a D7 issue transaction will be forwarded to the inventory manager who will, upon receipt, take action to replace the PWRMS quantity. Since inventory managers are unaware of issues by nonreporting activities, their authority to release these PWRMS is contingent upon the nonreporter's capability to replace the material in a reasonable time-frame. This time frame may, when necessary, exceed the CNO readiness time frame.

(4) Release of PWRMS held for Navy War Reserve Projects (other than Fleet support element) is only authorized for issue by nonreporting stock points to satisfy Priority 1 and 2 Navy requisitions for Navy centrally managed items provided that: (a) operating stock is not available and (b) the material can be replaced within the CNO readiness time frame.

(5) Release of reservations for retail (Non-TIR) material is authorized only if the activity releasing the material is confident that the material can be reconstituted prior to request for release of the reservation.

b. AUTHORIZED CANCELLATION.

(1) Upon receipt of a reversal backorder reservation transaction (DG_) from the inventory manager, the stock point will remove that quantity from the requirements reservation file. Cancellation requests received directly from the requisitioner are not authorized and will be returned to the requisitioner.

PART C: MATERIAL RECEIPT**06160 MATERIAL RECEIPT**

1. **GENERAL.** Material Receipt covers the tasks to establish an expected receipt of material, to maintain and update appropriate files, and to physically store the material upon receipt.
2. **INVENTORY CONTROL POINT (ICP) CONTROL.** This part prescribes standard procedures for transmitting information about incoming material between Inventory Control Points (ICPs) and stock points. It also provides for processing material receipt documentation from the stock points (where material is received) to the ICP (where accountable inventory control records are kept). The procedures require timely establishment of on-order records and expeditious reflection of assets in the accountable inventory control records and related financial accounts.
3. **DUES ESTABLISHMENT.** Dues can be established on the receipt due file based upon input from the inventory manager, the computer-generated replenishment program and the local procurement section.
 - a. Incoming dues are matched to the stock record. If a match occurs, the due is recorded on the receipt due file. If no match occurs, a new item record must be established with information provided by the ICP.
 - b. Dues records may be suffixed when it is determined that the original quantity due will be shipped in partial increments. The unsuffixed record in the file becomes the basic record, indicating the total quantity due, with suffix coded records indicating the partial quantity due.
 - c. When the due is established, it may also be cross-referenced by document number/NIIN. This allows activities to locate the original stock number by using the document number when the later input contains a substitute.
 - d. Dues files may be established to monitor receipts moving in and out of the maintenance cycle. The Dues In From Maintenance will be recorded in the stock record.
4. **DUES CANCELLATIONS.** Dues cancellations may be the result of ICP or local actions as well as supply status transactions. Either a total or partial cancellation action is initiated based on the quantity of the input.
5. **DUE-IN TRANSACTIONS.**
 - a. Due-in transactions are used in establishing and canceling due-in records. They're also used to transmit due-in establishment and cancellations actions between stock points and ICPs. These transactions are identified by DIs in the DD_ series for material due-in from procurement instrument sources, and in the DF_ series for material due-in from other than procurement instrument sources.
 - b. Prepare due-in transactions in the Appendix 28 format. When punched card transactions are used, prepare them on the DD Form 1486.

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c. Stock points receiving Prepositioned Material Receipt Documents (PMRDs) will maintain them in the Receipt Due File (RDF) pending receipt of the material or of PMRD updates from the ICP.

06165 RECORDING EXPECTED RECEIPTS-DUES

1. INVENTORY MANAGER ORIGINATED EXPECTED RECEIPTS AS A RESULT OF PROCUREMENT. Inventory managers are responsible for providing consignee activities with copies of procurement documentation in addition to PMRDs if required to update stock records and to facilitate material receipt. In addition, the inventory manager will provide changes to this data as a result of cancellations, modifications and reallocations.

a. TRANSACTION REPORTING STOCK POINTS. PMRDs (procurement instrument source), DD Form 1486, containing DI in the DU_ series will be provided for centrally managed items.

b. CANCELLATIONS. Cancellations of the PMRDs and the due-in transaction will be effected by transmitting a duplicate of the original document with an "X" punch in rp 25.

c. CHANGES. Changes to the original transaction will be effected by the transmittal of two documents by the inventory manager. The first document will be a duplicate of the original document - with an X punch in position 25 to cancel the existing record. The second document will provide the corrected data. Control will be exercised through the entry of a new date in position 77-80 of the second document. Proper and accurate maintenance of the receipt/due file is extremely important.

2. INVENTORY MANAGER ORIGINATED EXPECTED RECEIPTS AS A RESULT OF REDISTRIBUTION ORDERS. Inventory managers are responsible for providing consignee activities with either a PMRD, DD Form 1486, containing DI DWK or due-in transaction containing DI DFK. Except for ammunition, all receipts under redistribution orders are to be considered as final. Except for ammunition, if the quantity received is less than the quantity expected, the remaining balance will be canceled. For Transaction Reporting Stock Points, PMRDs, DD Form 1486, containing DI Code DWK will be provided for centrally managed items.

3. REPORTING STOCK POINTS EXPECTED RECEIPTS RESULTING FROM STOCK REQUISITIONS SUBMITTED. Certain reporting stock points have been authorized to submit requisitions for stock to the inventory manager. This is an exception to the normal "push" system.

a. RETAIL STOCK POINTS. Requisitions for stock will be prepared using an N Service Code in rp 30 and Fund Code 26 or 42 in rp 52-53. An alpha O will be put in rp 44 as a demand code for consumable items.

b. NAVY INVENTORY MANAGERS.

(1) For R cog depot level repairables material, the quantity requested in the requisition for stock will be compared against the Maximum Allowable Requisition Quantity (MARQ). This is the difference between the activity's on hand quantity and the activity's reservations plus due out. Any quantity in excess of the MARQ will be rejected with status Code RF. This indicates that the quantity is over the reservation levels.

(2) Upon acceptance of the requisition for stock, a due-in will be automatically recorded for the activity. All requisitions/transactions containing an alpha O in rp 44 or rp 72 must be treated as "no demand" type documents.

(3) The due-in will be automatically decreased when a cancellation is effected, including cancellations brought about as a result of backorder reconciliation.

4. CONTROLLING SHIPMENTS AND RECEIPTS OF COMMERCIALY REPAIRED MATERIAL. The full procedures for controlling shipments and receipts of commercially repaired material are contained in par. 02244. Navy stocking activity actions are as follows:

- a. Post the PMRC to the Due-in file.
- b. Post the receipt using the NIIN contained on the 1348-1A affixed to the incoming component and match to the due established on the file, if available. If no PMRC record was established, use the document number and other pertinent data contained on the 1348-1A.
- c. Send the receipt TIR to the inventory manager citing Document Identifier D6M.

06170 PREPOSITIONED MATERIAL RECEIPTS

1. GENERAL. PMRDs will be received from inventory managers for centrally managed items subject to transaction reporting requirements. The following DI series are prescribed in MILSTRAP for due-in and receipt transaction processing and are displayed in Appendix 28:

Source of Receipt	Document Identifier Series. (The third digit of the DI indicates more specifically the source of the receipt as listed in Appendix 4).		
	For Due-In Transaction	For Prepositioned Material Receipt Document	For Take-up and Reporting Receipt
Procurement Instrument	DD	DU	D4
Other than Procurement	DF	DW	D6

06175 MATERIAL RECEIPTS (PROCUREMENT INSTRUMENT SOURCE)

1. REPORT OF RECEIPTS TO ICP. Stock points will report receipts of material from procurement sources to ICPs using material receipt transactions citing DIs in the D4_ series. When punched card transactions are used, prepare them on the DD Form 1486. The DI D4 series is listed in Appendix 4.

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2. **VENDOR'S RECEIPTS.** Receipts from vendors can come from central procurement or local procurement actions. Authorized procurement delivery documents should accompany each shipment as prescribed in the Federal Acquisition Regulation (FAR).
3. **RECEIPT INSPECTION.** When shipments of material received from commercial sources require inspection and/or acceptance at destination, stock points inspect and/or accept and perform the in-check operations as concurrent actions.
 - a. Inspect shelf-life material for appropriate condition and type of shelf-life code in accordance with DoD 4140.27-M, Shelf-Life Item Management Manual. Mark material, as appropriate, for shelf-life code and supply condition code upon receipt. Package markings will be in accordance with MIL-STD-129, Military Standard Marking for Shipment and Storage.
 - b. Based on inspection, stock points will prepare separate material receipt transactions indicating the actual condition of the material received.
 - c. Complete the material receipt transaction by changing or adding to data in the PMRD suspense record or by extracting data from the consignment documentation.

06180 MATERIAL RECEIPTS (OTHER THAN PROCUREMENT INSTRUMENT SOURCE)

1. **GENERAL.** Stock points will report receipts of material from other than procurement sources to ICPs using material receipt transactions citing a DI in the D6_ series. When punched card transactions are used, prepare them on the DD Form 1486. the DI D6_ series is listed in Appendix 4.

06185 CONTROL OF RECEIPTS

1. **ESTABLISHMENT.** The term stock point in this paragraph applies to all Navy activities with inventory. The stock points will establish these receipt control procedures for posting of information relating to the status of material in the stow cycle. The cycle commences with the release of material and documents into custody and control of the receiving activity.
2. **ACTION.** After the material has been physically received, but prior to or concurrent with movement to storage, stock points will accomplish the following actions:
 - a. Establish a transaction suspense record to record the material as an in-process receipt.
 - b. Prepare and transmit the material receipt transaction to the ICP within the prescribed time frame.
3. **INSUFFICIENT MATERIAL.** When the stock point receives requisitions or material release orders and there is not sufficient material available on the on-hand balance of the stock record (physically stowed), a check will be made of the in-process receipt suspense file to determine if there is a quantity in process to fully or partially satisfy the requisition document. When in-process receipts are recorded, Priority 01-08 requirements will be filled from these receipts. Filling of Priority 09-15 requirements in these instances will be deferred pending proof of stowage.

4. EXPEDITING STORAGE. Stock points will periodically refer to the suspense file of inprocess receipts to expedite the storage of material delayed beyond authorized receipt processing time frames. Give special attention to expediting the storage of material for which issues have been deferred - pending stowage.

5. RECORD UPDATES. After proof of stowage is received, stock points will clear the suspense record, update the storage locator record and release the deferred items.

6. ADDITIONAL CONTROL. As an additional aid in control of receipts, appropriate stock point records (e.g., stock locator) will reflect the date of last receipt of an item and stowage information (e.g., date of stowage or some other code indicating that stowage has been reported).

06190 TIME STANDARDS FOR PROCESSING RECEIPTS

1. GENERAL. One objective of the MILSTRAP system is to process receipts through the stock point, irrespective of geographical location, and reflect them on both the locator and the accountable records with minimal delay. Wholesale activity receipt processing performance will, therefore, be measured in two segments:

a. Segment 1. Date material is turned over by the carrier to the designated receiving activity, to date of posting to the on-hand balance of accountable stock record file (or in-process receipt file). Often referred to as from "tailgate" date to in process.

b. Segment 2. Date material is turned over by the carrier to the designated receiving activity to date when storage location/proof of stowage is posted to the stock point records. Material is considered to be "in storage" when it reaches the first location (either temporary or permanent) where actual storage control exists through locator data and the material can be issued in response to material release documentation. Often referred to as from "tailgate" date to stow.

2. STANDARDS. MILSTRAP performance standards for processing receipts through these time segments are as follows:

a. Receipts from new procurement and redistribution will be processed through segment one or segment two (whichever is longer in time) within 7 calendar days.

b. All other receipts will be processed through segment one or two (whichever is longer in time) within 10 calendar days.

3. WHOLESALE. Wholesale activity receipt processing effectiveness will be reported in the Report of Inventory Control Effectiveness, Reports Control Symbol M(Q)935. The acceptable DoD performance goals for receipt processing are: percent **posted** within the time standard, 90%; percent **stored** within the time standard, 90%. Receipt transactions frustrated for a long period of time prior to posting and storing will be included in computing the overall performance against these time standards.

06195 DISCREPANCIES ON RECEIPT DOCUMENTS

1. SUBMITTING REPORTS OF DISCREPANT DEFICIENT RECEIPTS. In addition to processing and reporting material receipts, storage activities submit reports for all shipments having discrepancies/deficiencies relating to packaging, quality, transportation, and shelf-life. The procedures and forms are prescribed by the below listed Regulations/Instructions. Neither the dollar value nor the time frames for submitting discrepancy/deficiency reports apply for reporting the material receipt to the cognizant ICP. The procedures for reporting receipt of discrepant/deficient shipments to the ICP are prescribed by par. 2.

a. Joint Regulation DLAR 4140.55, AR 735-11-2, SECNAVINST 4355.18, AFR 400.54 and MCO 4430.3H, Reporting of Item and Packaging Discrepancies.

b. Joint Regulation AR 55-38, NAVSUPINST 4610.33C, AFR 75-18, MCO P4610.19D and DLAR 4500.15, Reporting of Transportation Discrepancies in Shipments.

c. Joint Regulation DLAR 4155.24, AR 702-7, SECNAVINST 4855.5, AFR 74-6 and MCO 4855.5D, Reporting of Product Quality Deficiencies Across Component Lines.

d. Joint Regulation DLAR 4140.60, AR 12-12, SECNAVINST 17, AFR 67-7 and MCO 4140.1C, Processing Discrepancy Reports Against Foreign Military Sales Shipments.

e. Joint Regulation DLAR 4155.3, AR 30-12, NAVSUPINST 4355.2C, AFR 74-5 and MCO 10110.21D, Inspection of Subsistence Supplies and Services.

f. DoD 4140.27-M, Shelf-Life Item Management Manual.

g. Other DoD and joint or intra-Service/Agency regulations governing discrepancies/deficiencies not covered by the above.

2. PROCESSING DISCREPANT/DEFICIENT RECEIPTS FOR NAVY MATERIAL.

a. GENERAL. Upon receipt of all incoming material shipments, stock points will research all available documentation and item markings to determine the receipt data (i.e., document number, National Stock Number (NSN) or other item identification number, PMRD or due-in data, quantity, condition, inspection/acceptance requirements, etc.). Using this data, stock points will determine if a discrepancy/deficiency exists and will identify its nature.

(1) Not all discrepant receipts require submitting discrepancy reports. Stock points will follow the par. 1 procedures to determine whether a discrepancy report must be submitted.

(2) DISCREPANCY RECEIPT INDICATOR. Management Codes R, S and U have been assigned as a discrepant receipt indicator for use in receipt transactions when the par. 1 procedures require submission of a discrepancy report. The purpose of the discrepancy receipt indicator is to notify the ICP in advance that a receipt was discrepant and that a discrepancy report is being submitted. This will provide additional information relating to the reported item. Codes S and U are entered only on DI D4_ receipts and identify vendor caused misdirected shipments and contract overshipments. These discrepancies, which occur more frequently and therefore more easily resolved, are separately identified so ICPs can correct them before the formal report of discrepancy is received.

(3) When part of a receipt is not affected by a discrepancy requiring submission of a discrepancy report, the following receipt reporting procedures may require stock points to report the nondiscrepant quantity in a separate transaction without citing the discrepant receipt indicator. Additionally, the discrepant receipt indicator is not used when special circumstances require the use of another management code (e.g., M for automatic disposal by the stock point, P for stock point created document number or Z for explanatory remarks) even though submission of a discrepancy report is required. Prescribed omission or replacement of the discrepant receipt indicator in the receipt transaction does not negate the par. 1 requirement to submit a discrepancy report.

(4) The discrepant receipt indicator is never entered in transactions for discrepant receipts if the par. 1 procedures do not require submission of a discrepancy report.

b. INADEQUATE DOCUMENTATION. When material is received without accompanying documentation, or with inadequate documentation to process the receipt, stock points will use one of the following data sources to develop material receipt transactions:

(1) Prepositioned material receipt documents.

(2) Authorized procurement delivery documents and vendors packing lists.

(3) Advance copies of Forms 1348-1A, DoD Single Line Item Release/Receipt Documents, or DD Forms 1149, Requisition and Invoice/ Shipping Documents.

(4) Transportation and fiscal records.

(5) Container markings.

(6) Advice provided by the ICP upon request of the stock point, if receipt documentation cannot otherwise be developed.

(7) Advice provided by the shipper upon request of the stock point, if receipt documentation cannot otherwise be developed.

(8) Advice provided by the U.S. Customs Inspector's Office upon request of the stock point, if the receipt documentation cannot otherwise be developed for receipts which passed through customs.

c. When a discrepant receipt is retained in U.S. Government custody, whether or not it is U.S. Government owned, stock points stow the material, submit a DI D4_/D6_ receipt to the cognizant ICP for recording on the accountable record, and hold the material pending receipt of disposition. If material is under litigation, it's held in Condition Code L.

3. RECEIPT REPORTING FOR DISCREPANT SHIPMENTS FROM PROCUREMENT INSTRUMENT SOURCES.

a. When acceptance is done at a point other than destination, stock points may not reinspect supplies at destination for acceptance purposes. However, stock points will examine such supplies at destination for identity, damage in transit, quantity and condition (including proper packing/packaging and labeling). The U.S. Government's right to litigate a discrepant receipt is not affected by the point of acceptance. Consequently, stock points will report discrepancies detected during the destination examination in accordance with the regulations cited in par. 1.

b. Shipment of procurement receipts directly to disposal is not authorized unless unusual circumstances (e.g., health/safety hazard, etc.) exist and separate/secure storage facilities, addressed in par. 2a(3) above are not available. When unusual circumstances require that material be shipped directly to the property disposal activity, the stock point will first report the receipt using a DI D4_ Material Receipt transaction citing Supply Condition Code L and Management Code R (discrepant receipt indicator). The disposal action will then be reported using a DI DAC Dual Inventory Adjustment transaction citing Supply Condition Code H and Management Code M (excludes shelf-life material) or Management Code T (expired shelf-life material).

c. When the receipt cannot initially be identified to an NSN, the procurement instrument and par. 06300 sources will be used to identify the item.

d. Unless otherwise allowed by these procedures, stock points will report discrepant shipments from a procurement instrument source to the ICP using a DI Code D4_ Material Receipt transaction, the NSN of the item received, and the applicable ownership/purpose code (normally taken from the DI DU_ PMRD). In receipt transactions for discrepant quantities, cite Supply Condition Code L as noted in the next paragraph. Include Management Code R (discrepant receipt indicator) when a discrepancy report was required.

e. PROCEDURES. The following procedures apply for reporting receipt of discrepant shipments from procurement instrument sources (these categories are not mutually exclusive; multiple discrepancy conditions may exist for a single receipt):

(1) CONDITION OF MATERIAL. Stock points will report the actual discrepant quantity as a Condition L receipt. Report the nondiscrepant quantity in the actual condition received and do not cite a discrepant receipt indicator in the transaction.

(2) SUPPLY DOCUMENTATION. Stock points will perform research to report the receipt. Although absence of the supply documentation should not preclude receipt processing and reporting or subsequent issue of the material, discrepancy reporting requirements still apply.

(3) MISDIRECTED SHIPMENTS (improperly addressed by the procurement instrument source). Stock points will contact the cognizant ICP to ensure that the procurement instrument requirements (i.e., inspection, acceptance, etc.) are complied with. Report the total quantity received in the actual condition received (normally A) and enter Management Code S in rp 72 of the transaction. Upon receipt of the DI D4_ transaction and prior to posting the receipt as available for issue, ICPs/SCAs will take immediate action to resolve the discrepancy. If the ICP or CAO/PO directs reshipment/return of a reported receipt without issuing MILSTRIP material release documentation, the stock point will submit a reversal of the previously submitted material receipt transaction.

(4) OVERAGE/DUPLICATE SHIPMENT. Stock points will research PMRD, receipt, and contract documentation to determine the discrepant quantity. Report confirmed duplicate shipments as discrepant Condition L receipts. When overages are valued above the contract variance clause, or above the excess delivery clause (after considering any allowable variance), report the overage above the allowable variance as a discrepant Condition L receipt and enter Management Code U in rp 72 of the transaction. ICPs will take immediate action to resolve the discrepancy upon receipt of the DI D4_ transaction. Overages within the allowance variance or within the excess delivery clause (after considering any allowable variance) are not considered discrepant. Report the total quantity as a single receipt in the applicable condition and do not cite a discrepant receipt indicator in the transaction.

(5) PACKAGING DISCREPANCY. When the packaging error is minor, such as remarking or stenciling, the stock point may perform the minor corrections and submit a ROD requesting payment from the contractor, in which case the material will be placed in stock in Condition Code A. When the packaging discrepancy is not readily correctable or not a minor discrepancy, a ROD will be submitted requesting the contractor provide disposition instructions; the material will be held in Condition Code L.

(6) SHORTAGES. Stock points will research PMRD, receipt, and contract documentation to determine the discrepant quantity. For shortages, report the total quantity in the condition received. Except for shortages attributed to transportation discrepancies, the receipt will be considered discrepant only if the shortage exceeds the allowable contract variance. When the receipt is discrepant, cite the discrepant receipt indicator in the receipt transaction. The ICP is responsible for initiating follow-up on delinquent receipts.

(7) ITEM TECHNICAL DATA MARKING (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Stock points will report any nondiscrepant quantity as a receipt in the applicable condition without citing the discrepant receipt indicator in the transaction. Report the discrepant quantity as a Condition L receipt and identify and describe the specific technical data discrepancy in the SF 364 for ICP evaluation. If the ICP determines the assets can be issued, the ICP will take action to transfer the suspended assets to the appropriate condition.

(8) WRONG ITEM. Stock points will report the incorrect quantity of the item received in Condition L. Report any assets in the shipment which are the correct item in the applicable condition and do not cite the discrepant receipt indicator in the transaction. If the majority of the assets are the incorrect item, the stock point may report the total quantity in Condition L based on internal Service/Agency procedures.

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(9) **PRODUCT QUALITY DEFICIENCY.** It is normally preferable for the receiving activity to retain custody of the material, whether or not it has been accepted; report the deficient quantity as a Condition L receipt. The ICP or CAO/PO will determine if litigation or informal action with the procurement instrument source should be taken. If litigation or informal action will not be taken, the ICP will take action to transfer the suspended assets to the appropriate condition.

(10) **TRANSPORTATION DISCREPANCIES.** When material is accepted by the Transportation Officer, the receipt will be processed and reported in accordance with procedures cited above for the type of discrepancy which exists.

(11) **OTHER DISCREPANCIES.** Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receipt and discrepancy reporting requirements provide sufficient time for the stock point to obtain guidance from the appropriate authority before reporting the receipt or submitting the discrepancy reports.

**06200 RECEIPT REPORTING FOR DISCREPANT SHIPMENTS FROM
NONPROCUREMENT INSTRUMENT SOURCES**

1. **GENERAL.** When the receipt cannot initially be identified to an NSN, the stock point will attempt to identify the NSN or usage procedures and report the receipt to the cognizant ICP.

a. If the NSN cannot be identified, the stock point will contact the ICP managing similar items. If the ICP can identify the NSN, the ICP will direct the stock point to submit the receipt and SF 364 to the cognizant ICP.

b. If the ICP cannot identify the NSN, the ICP will provide disposition instructions to the reporting activity. These instructions will include an item identification number (part number, management control number, local control number, etc.) for reporting the receipt and submitting the SF 364. If the ICP directs disposal, the ICP will maintain a record of the transaction for two years.

2. Unless otherwise allowed by these procedures, stock points will report discrepant shipments from a nonprocurement instrument source to the ICP using a DI D6_ Material Receipt, the NSN of the item received, and the applicable ownership/purpose code (normally from the DI Code DW PMRD). In receipt transactions for discrepant quantities, cite the supply condition code which most accurately describes the condition of the material or Code K when the condition cannot be determined. Include Management Code R (discrepant receipt indicator) when a discrepant report was required.

3. The following procedures apply for reporting receipt of discrepant/deficient shipments from nonprocurement sources (these categories are not exclusive; multiple discrepancy conditions may exist for a single receipt):

a. CONDITION OF MATERIAL.

(1) When inspection of inter-Service/Agency receipts reveals material to be Supply Condition Code H and no PMRD is recorded, stock points will automatically ship discrepant material (less than \$100 per item) to the property disposal activity or take other automatic disposal actions based on criteria from the Services/Agencies. This includes Type I shelf-life material which has passed the expiration date regardless of value. When automatic disposal action is taken, cite Supply Condition Code H and Management Code M (excludes shelf-life material) or Management Code T (expired shelf-life material), in lieu of the discrepant receipt indicator, in the receipt transaction for the discrepant quantity.

(2) Report discrepant quantities other than those mentioned above citing the applicable supply condition code or Code K when the condition cannot be determined.

(3) Report receipt of nondiscrepant quantities in the normal manner and do not cite the discrepant indicator in the transaction.

(4) Level 1/SUBSAFE (L1/SS) received through Material Turned Into Stores (MTIS) is held in Condition Code K until material is inspected and certified. See NAVICP MECH INST 4355.5 (latest series) for L1/SS material.

b. SUPPLY DOCUMENTATION. Absence of the supply documentation should not preclude receipt processing and reporting or subsequent issue of the material. The stock point will research in accordance with par. 2a(2) to report the receipt. The par. 1 discrepancy reporting requirements still apply. When the document number in the receipt transaction must be created by the stock point, cite Management Code P in lieu of the discrepant receipt indicator in the transaction.

c. MISDIRECTED SHIPMENTS (improperly addressed by the supply activity). Stock points will report misdirected shipments as receipts to the cognizant ICP. ICPs will provide disposition using the appropriate MILSTRIP transaction. If it's local, the ICP may direct the stock point to redeliver.

d. OVERAGE/DUPLICATE SHIPMENT. Stock points may not be able to identify a duplicate receipt. When the overage can be identified for Navy material, pick up the material in stock and prepare a ROD to the shipping activity. For DLA retail material, check with the local item manager: If the material is to be retained in stock, submit a ROD to the shipping activity requesting billing for overage.

e. PACKAGING DISCREPANCY. If possible, the stock point will correct the packaging discrepancy, report it to the shipping activity, and place the material into stock.

f. SHORTAGES. For shortages, stock points will report the total quantity received in the applicable condition. The ICP will make any necessary financial adjustment action. The ICP is responsible for initiating follow-up on delinquent receipts on centrally managed items.

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g. ITEM TECHNICAL DATA MARKING (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Stock points will report any nondiscrepant quantity in the applicable condition without citing discrepant the receipt indicator in the transaction. Report the discrepant quantity as a Condition D receipt. Identify and describe the specific technical data discrepancy in the SF 364 for ICP evaluation. If the ICP determines the asset can be issued, the ICP will take action to transfer the assets to the correct condition.

h. WRONG ITEM. Stock points will report the receipt in the applicable condition. If both correct and incorrect items are received in the same shipment, report each separately. Omit the discrepant receipt indicator in the transaction for the correct item.

i. PRODUCT QUALITY DEFICIENCY. Product quality deficiency receipts should be determined based on the supply condition code cited in the PMRD. Product quality deficiency receipts from ICP directed returns are not discrepant receipts and will be receipt reported in the normal manner. Do not cite discrepant indicator in the transaction.

j. TRANSPORTATION DISCREPANCIES. When material is turned over by the Transportation Officer, the receipts will be reported in accordance with the procedures cited above for the type of discrepancy which exists (e.g., condition of material for damage, etc.).

k. OTHER DISCREPANCIES. Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receipt and discrepancy reporting requirements provide sufficient time for the stock point to obtain guidance from the ICP before reporting the receipt or submitting the discrepancy report.

06205 FOLLOW-UP AND REPLY TO FOLLOW-UPS ON MATERIAL RECEIPTS

1. FOLLOW-UP ON RECEIPTS. When a maximum of 45 days have elapsed since the shipping date showing on a shipment notification or estimated shipping date, and no receipt is confirmed, ICPs transmit material receipt follow-ups to appropriate stock points. (Extension of the 45 day time frame is authorized when long intransit times are involved.) Prepare follow-ups on expected receipts from procurement instrument sources citing DI DXA. Prepare follow-ups on expected receipts from other than procurement instrument sources citing DI DXB. When punched card transactions are used, they are prepared on the DD Form 1486.

2. REPLY TO MATERIAL RECEIPT FOLLOW-UPS. When material has been received, the stock point will respond with the appropriate material receipt transaction citing the appropriate DIC ID in the D4_ or D6_ series. When material has not been received, the response is as follows:

a. Prepare replies to DI DXA Material Receipt Follow-ups (Procurement Instrument Source) citing DI DXC.

b. Prepare replies to DI DXB Material Receipt Follow-ups (Other than Procurement Instrument Source) citing DI DXD.

06210 DUE-INS AND RECEIPTS FROM ASSEMBLY, DISASSEMBLY, CONVERSION, MODIFICATION, REPAIR AND TEST

1. ICP RECORDING. For end items from assembly, conversion or modification, and components from disassembly, the ICP will establish DI DFL Due-Ins (Other than Procurement Source). For end items from repair/testing (excluding items being repaired at a maintenance facility), the ICP will establish DI DDM Due-Ins (Procurement Instrument Source) or DI DFM Due-in (Other than Procurement Instrument Source).

2. STOCK POINT REPORTS. For end items from assembly, conversion or modification and components from disassembly, the stock point will submit DI D6L. For end items from repair/testing (excluding items being repaired at a maintenance facility), the stock point will submit DI D4M Material Receipts (Procurement Instrument Source) or DI D6M Material Receipts (Other than Procurement Instrument Source). For returns of unused material originally issued for performance of destructive testing, the stock point will submit DI D6G Material Receipts (Other than Procurement Instrument Source). In those instances when one service/agency is repairing items for another service/agency, the repairing service/agency may by mutual agreement:

a. Record in the item record under the ownership of the other service/agency those repairable items received from activities of the other service/agency for repair.

b. Notify the owning ICP of these receipts by means of DI D6A Material Receipts (Other than Procurement Instrument Source).

06215 LOAN TRANSACTIONS

1. GENERAL. Use appropriate MILSTRAP adjustment and/or receipt transactions to reflect the on-hand/due-in and subsequent receipts. Reflect material on loan on accountable activity records in the appropriate purpose code (as prescribed by service/agency procedures -- usually Code K to denote loan) or as a DI DFN Due-In (Other than Procurement Instrument Source) depending on the method/system applied.

2. PREPOSITIONED MATERIAL RECEIPT DOCUMENTS. DI DWN Prepositioned Material Receipt Documents (Other than Procurement Instrument Source) may be used to provide advance notification to activities scheduled to receive returned loaned material.

3. INSPECT LOANED MATERIAL UPON RECEIPT. Use DI D6N Material Receipts (Other than Procurement Instrument Source) to provide information about the condition and quantity of the returned loaned material.

4. ICP ACTION. The ICP is responsible for final determination and resolution of returned Government property from loan. Establish controls to ensure the material is returned in an appropriate condition; i.e., as good as or better than the condition of the original loan issue. Take appropriate action to resolve any discrepancies and ensure reimbursement to the loaning activity.

06220 MATERIAL RECEIPT ACKNOWLEDGMENT (MRA)

1. GENERAL. This paragraph outlines the preparation and/or processing of material receipt acknowledgment transactions by Navy activities and Inventory Control Points (ICPs), and the Defense Automatic Addressing System (DAAS). An MRA advises that material has been received and posted – or there is a discrepancy, which affects the posting/acknowledgement process.

2. EXCLUSIONS. These procedures are not applicable to:

- a. On-station issues.
- b. International Logistics Program (ILP) transactions – except when the shipment concerns an unconfirmed material release order.
- c. General Services Administration and civil agencies.
- d. Coast Guard units.
- e. Interservice lateral redistributions of retail stock.
- f. Receipts into wholesale stock which are controlled by a Management Control Activity.
- g. Excluded commodities: ship's propulsion and aviation fuel and bulk lubricants, cognizance symbol I material not assigned a 13 character Navy Item Control Number (NICN), cognizance symbol OK material controlled by the Chief of Naval Education and Training (CNET), industrial plant equipment (requisitioned by use of DoD Production Equipment Requisition/Non availability Certificate), presentation silver, communication security equipment and aids, and all items designated crypto or handled through crypto channels

3. PREPARATION BY RECEIVING ACTIVITY OF MATERIAL RECEIPT ACKNOWLEDGMENT (MRA). Receiving activities will submit an MRA prepared in accordance with the DRA's format contained in Appendix 28 when posting the receipt of material to the their inventory or record. Receiving activities are normally the requisitioning activity or unit, which receives the material and posts it to record. For security assistance shipments, NAVILCO is the receiving activity. NAVICP will also prepare, transmit, and receive MRA documents. Transmission to DAAS will be electronically.

4. PROCESSING OF MRAS. Receiving activities will transmit DRAs to Defense Automatic Addressing System (DAAS). DAAS then sends them to the ICP (for wholesale issues) or to the Stock Control Activity (for retail issues). Receiving Activities without electronic communication capability will acknowledge material receipt by using a DD Form 1486, DoD Material Receipt Document. The receiving activity, except for NAVILCO, will establish a supply due-in record for all requisitions.



5. REPORTING. For reporting purposes, DAAS summarizes the DRAs, transmits them to NAVICP, and posts them to the Logistics On-line Tracking System (LOTS). LOTS is a requisition information system (at DAAS) that stores and processes logistics data.

PART D: STOCK CONTROL**06300 DEFINITION**

1. GENERAL. Stock control performs the following functions:
 - a. Determining retail inventory requirements, both range and depth.
 - b. Replenishing the retail inventory, including expediting and validating dues.
 - c. Maintaining stock record accuracy for both retail and wholesale assets.
 - d. Processing excess material.

2. INVENTORY LEVELS. Navy FISCs perform two types of inventory responsibilities. These are the wholesale level (pushed material) as provided by the ICP and retail level (pulled material) reflecting the local customers needs. These levels are defined in OPNAVINST 4441.12B as follows:
 - a. WHOLESALE LEVEL OF INVENTORY. Inventory, regardless of funding source, over which the designated inventory manager has asset visibility at the national level and exercises unrestricted asset control to meet worldwide inventory management responsibilities.
 - b. RETAIL INVENTORY. Inventory, regardless of funding source, held below the wholesale level. The retail level is made up of the intermediate and consumer level inventory.
 - (1) INTERMEDIATE LEVEL OF INVENTORY. That part of the retail inventory, regardless of funding source, that is required between the consumer and wholesale levels of inventory for support of a defined geographic area or for tailored support of specified consumer organizations or activities.
 - (2) CONSUMER LEVEL OF INVENTORY. That part of the retail level inventory, regardless of funding source, usually of limited range and depth, held only by the final element in an established supply distribution system for the sole purpose of internal consumption or use.
 - c. RIMSTOP. OPNAVINST 4441.12 (series) implemented the Retail Inventory Management and Stockage Policy (RIMSTOP). Prior to RIMSTOP, for Navy cog material, we basically had a two echelon inventory system (wholesale and consumer levels only). Intermediate levels were 9 cog material at Navy FISCs.
 - (1) DoD implemented RIMSTOP for three primary reasons:
 - (a) Develop uniform stockage criteria among the services.
 - (b) Optimization of all inventory levels.
 - (c) Gain control over nondemand based items.
 - d. CHARACTERISTICS OF WHOLESALE INVENTORIES.
 - (1) Inventory levels computed based on worldwide demand data and forecasts.

(2) Positioned by wholesale item manager or captured by item manager through decapitalization or excessing.

(3) Material available for unrestricted use by wholesale item manager.

(4) Visible to wholesale item manager.

(5) Under accountability by designated supply ICP.

(6) Material "pushed" by ICP to stock point.

e. CHARACTERISTICS OF INTERMEDIATE INVENTORIES.

(1) Computed requirements based on historical or forecasted demands arising in a geographical area or from designated activities.

(2) Pulled from wholesale system.

(3) Transaction Item Report (TIR) for repairables and critical items.

(4) Not available without restriction to satisfy demands from other than designated customers.

(5) On accountable records of stock point and may be on ICP record.

(6) Has a resupply mission to consumer level activities.

(7) May not have non-demand-based allowance positioned in both intermediate and consumer levels for the same item.

f. CHARACTERISTICS OF CONSUMER INVENTORIES.

(1) Inventories issued directly to the maintenance technician.

(2) Inventories not used to resupply another level of inventory.

(3) Inventories used by an activity in performing its function (Naval Industrial Fund inventories, etc.).

(4) Purpose is direct support associated with readiness goals.

3. STOCK CONTROL RESPONSIBILITIES.

a. WHOLESALE. Wholesale stock management functions are performed by Navy Inventory control Point Mechanicsburg and Philadelphia (NAVICP MECH-PHIL) and Navy Publications and Forms Center (NPFC). The inventory manager must maintain adequate wholesale stock levels to support recurring and non-recurring demand. Stock level forecasts are influenced by cost, military essentiality, current assets, availability of funds, and other information known to the inventory manager. The inventory manager allocates material to stock points based on the ICP's ability to forecast stock point needs.

b. RETAIL. For retail stock, there is no ICP pushing material to stock points. All material must be "pulled" from the integrated manager or supporting Navy activity or procured locally. A stock point, therefore, is responsible for the following:

- (1) Establishing inventory levels.
 - (2) Requisitioning or purchasing the right items for support of station or fleet customers.
 - (3) Monitoring dues.
 - (4) Storing, locating and issuing material.
 - (5) TIR information to the ICP, when required.
 - (6) Processing transactions through financial ledgers.
 - (7) Budgeting for and maintaining control of funds allocated.
 - (8) Excessing.
 - (9) Maintaining file accuracy.
4. The reasons for a stock point to carry an inventory are as follows:
 - a. Physically impossible to have goods arrive precisely when demands occur.
 - b. Minimizes logistics response time.
 - c. Allows for more effective procurement.
 - d. Provides a hedge against emergencies.
 5. The stocking policy criteria are divided into nondemand and demand based.
 6. Non demand based includes the following categories:
 - a. **PLANNED REQUIREMENTS.** Planned Requirements (PR) is a quantity of material needed by a stock point customer for a one-time requirement. Examples of a PR are: when items are required in unusual quantities, when items have excessive procurement and shipping lead-times, and when items are required to fill known non-recurring demands.
 - (1) Inflation of stock due to planned requirements will reduce funds available for procuring demand-based items. Activity funds should be used to procure planned requirements. If funds are not available, they should be requested from the inventory manager.
 - (2) For Defense Logistics Agency (DLA) material, long range planned requirements should be submitted to the DSCs as special program requirements (see FMISOINST 4400.12 series).
 - b. **ALLOWANCE LIST MATERIAL.** Allowance lists are produced by the ICPs responsible for the weapons systems. These lists contain items essential to support of specific equipments, weapons systems, aircraft, etc., and are called Coordinated Shore Based Allowance List (COSBAL), Shore Based Consolidated Allowance List (SHORCAL), Shore Intermediate Maintenance Stock List (SIMSL) or Fleet Issue Load List (FILL).

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c. **INSURANCE MATERIAL.** Insurance items are those items not available otherwise, which should be obtained as a safety reserve because of their effect on health or morale or of their military essentiality. (Examples disaster control gear, fog/foam for runways, medicines, degree of difficulty in obtaining, no longer manufactured, etc.)

d. **REQUIREMENTS.** Requirements are additive only to the extent that they exceed the reorder point. If an item appears on an allowance list or insurance list, and is also stocked by the activity based on demand, only the quantity above the reorder point is authorized to be added. And then only if authorized by FMSO or higher command when overseas.

e. **PREPOSITIONED WAR RESERVE MATERIAL (PWRM).**

(1) PWRM is the total quantity which is required to be positioned prior to hostilities at or near the point of planned use, pending arrival of replenishment ships. Projects to be supported by PWRM must be approved by CNO and forwarded to Navy ICPs and FMSO.

(2) If previously funded assets are still required and other assets are available for PWRM, they are stratified to each project in accordance with priorities established by CNO.

06305 RANGE AND DEPTH DETERMINATIONS

1. To understand range and depth determinations, you must know the following:

a. **OPERATING LEVEL (OL)** - Stock to cover normal operations between reorders.

b. **ORDER SHIP TIME (OST) OR LEAD TIME (LT)** - Stock to cover normal demand during replenishment.

c. **SAFETY LEVEL (SL)** - Stock to cover abnormal demand during replenishment.

d. **REQUISITIONING OBJECTIVE (RO)** - High limit or "order to" quantity. Consists of OL, LT, and SL.

e. **REORDER POINT (RP)** - The point (when quantity on hand equals this amount) at which an item should be reordered. Consists of LT and SL.

f. **STOCK OBJECTIVE (SO)** - The sum of safety level and operating level or requisitioning objective minus lead time.

g. **LONG SUPPLY OR FUTURE ISSUE STOCK** - 48 months stock available over the RO.

h. **RETENTION LIMIT** - 53 months of stock representing the sum of the requisitioning objective plus future issue stock.

2. **FIRST RECORD DEMAND.** In order to set levels for any item, it's necessary to first record demand on that item and then, based on that information, forecast future demand. Stocking levels are then determined based on forecasted demand.

3. **REQUISITION FREQUENCY.** The frequency of demand is the number of times a requisition is received for a given stock number -regardless of the quantity specified on the requisition. This number is used to determine what items will be carried and the range.

4. DEMAND. The quantity demanded is the amount requested on each requisition. This amount is used to determine how much of an item will be carried.

5. TIR ITEMS VS NON-TIR ITEMS. Items which are centrally managed by Navy ICPs and DSCs are normally not subject to stock replenishment, if they are controlled by Transaction Item Reporting (TIR) procedures. Items not subject to TIR reporting normally include Navy-ICP locally managed items, DLA retail items (9/5 cogs), GSA items (9Q), Weapons Integrated Material Managers (WIMM) items, ICP items at secondary stock points, and local stock numbered items. Stock levels on items under local inventory control may be established by either fixed levels or Variable Operating Safety Levels (VOSL).

6. VOSL. Locally managed items under selected account/cogs will have VOSL levels computed under the criteria of the VOSL program as prescribed by FMSO. The remaining non-VOSL locally managed items will be under fixed stock levels as set by NAVSUP, ICP, FMSO, or the overseas commander.

a. ECONOMIC RANGE MODEL (ERM). DoD Instruction 4140.45 requires activities with intermediate level consumable inventories to establish inventory range using a cost oriented model. The ERM is the model that the Navy uses to determine the range of stocked retail items. The ERM optimizes a given objective subject to constraints on investment, workload, and support goals. It will also minimize the movement of items between stocked and nonstocked categories (inventory churn). The model assists in decision making by selecting the items to be stocked through use of material essentiality measurement and weighting the expected months of delay obtaining an item. The objective: to provide maximum support in relation to constrained resources by considering the time a customer may have to wait if an item is not stocked at the supply activity, and the essentiality of the item to the equipment/weapons system it supports.

b. VOSL. The objective of the VOSL program is to produce the optimum supply effectiveness within a fixed average investment level and workload constraints.

(1) Activities send their Value of Annual Demand (VAD) to FMSO via the VOSL program.

(2) Stock points are responsible for maintaining a current table of account/cogs - subject to VOSL - at their activity in the program. All locally managed consumable items with approval from the appropriate funding manager, ICP, FMSO, and/or NAVSUP may be placed under VOSL.

(3) VOSL levels are computed on items quarterly or randomly using FMSO published formulas. Random updates occur during logistics transfers involving items transferring from centrally managed to locally managed status and when cards are input to update individual records.

(4) or the specific functions involved in the VOSL procedures, refer to the UADPS-SP system manuals.

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c. **FIXED LEVELS.** Fixed stock levels are computed on all non-VOSL locally managed items during the VOSL quarterly update. An Average Monthly Demand (AMD) is computed from the available quarters of demand history. The AMD is then converted to an appropriate low limit quantity based on a fixed number of months of stock for the account/cog at the particular activity. The resulting low limit quantity is placed in the MSIR low limit field.

7. **FIXED OPERATING LEVELS.** Fixed operating levels are a simpler formula where the operating level is equal to three months' demand and the safety level is equal to one month's demand. The fixed operating levels have certain disadvantages such as:

- a. Every item is treated alike.
- b. There are no economic considerations.
- c. There are no provisions for variability.
- d. There are no workload constraints.

8. **RECORDING.** For fixed operating levels, cumulative demand and frequency of demand are recorded on the stock record in order to use this data with demand history data. They are used to update Requisitioning Objective (RO) and Reorder Point (RP). RO and RP quantity on record is mandatory and normally should be based on most recent 12 months' recurring demand. New demand values are normally recomputed quarterly.

06310 STOCK REPLENISHMENT

1. **TWO METHODS.** Navy stock fund replenishment levels are set by two different methods: the Variable Operating and Safety Level Model (VOSL) or Fixed Levels.

2. **MATERIAL AVAILABILITY AND FUNDING.** The VOSL works within two constraints: Navy stock fund dollars and workload. The objective is to maximize material availability and increase net effectiveness within authorized Navy stock fund investment - without increasing workload.

a. The operating levels vary according to the Value of Annual Demand (VAD) which is determined by the quantity times the unit price. This is stratified to reduce operating levels for high VAD items and to increase operating levels for low VAD items.

- b. Safety levels vary according to the
 - (1) frequency of demand
 - (2) variation in demand
 - (3) lead time

c. VADs are computed for each NSN carried at a stock point and compared against a VAD table of low and high ranges. Each NSN is assigned a VAD category or VADCAT.

d. FMSO calculates VADCATs for each stock point and forwards them to stock points for loading to the computer system.

3. BASIC REPLENISHMENT FORMULA. The basic formula for stock replenishment is:

a. On hand

+ dues or in process receipts, whichever is greater

+ substitute assets above the reorder level = (in process issues + backorders)

+ reservations

+ reorder point or planned requirements, whichever is greater

+ (numerical stock objective - reorder point, if result is positive).

b. If replenishment is still required, the order requirements, except for certain items whose order quantities are computed off-line, are computed as follows:

On hand

+ due or in process receipt, whichever is greater

+ long supply/excess substitute assets

- (in process issued + backorders + reservations + operating quantity + (R/O - R/P) + reorder point or planned requirements, whichever is greater + (numerical stockage objective - reorder point, if result is positive).

c. The result of the above order computation may be reduced during periods of stringent funding by factoring the replenishments.

d. Activities, at their option, may replenish VOSL items which are under spot inventory, provided the item is in one of the top five VAD categories.

e. Activities may, optionally, assign a higher than normal priority to replenishments for high value requirements or for potentially NIS fast moving items.

f. Certain stock records (such as cylinders, gases and seasonal items) do not readily lend themselves to automatic replenishment decisions. Other items, although susceptible to automatic replenishment, involve sufficiently high money values to require an off-line review of the computer decision.

06315 STOCK RECORD MAINTENANCE

1. LOGISTICS MANAGEMENT CODES. The Logistic Management Codes displayed in NAVSUP P-485 Volume II Appendix 10 are used to divide the inventory of an item into categories. These categories are:

a. OWNERSHIP - Who owns the assets. Ownership codes identify the military service or other activity having title to the assets. It appears on the inventory control record. This is shown by a numeric code assignment as listed in NAVSUP P-485 Volume II Appendix 10.

b. PURPOSE - For what purpose the material is held within an ownership. Purpose codes segment and identify the purpose or reservation for which the material is held in inventory. It appears on the owner's inventory control record. This is shown by an alphabetic code assignment prescribed by Navy and listed in NAVSUP P-485 Volume II Appendix 10.

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c. **CONDITION** - The condition of the material in terms of serviceability and readiness for issue. Condition codes segment and identify (on the inventory control record) the physical state of the material or actions underway to change the status of the material (see par. 04295 below).

d. **LOCATION** - Where the material is physically stored. Location codes segment and identify (on the inventory control record) the activity where material is physically stored or located. Within Navy, these are identified in the specific computer system.

e. **SECURITY** - Designates the degree of physical security assigned to an item of supply.

06320 PURPOSE CODES

1. **GENERAL.** Purpose codes are a mandatory data element on all MILSTRAP transactions. Purpose codes directly relate to all quantities of stock held on FISC inventory records. Normally, the stocks are held to be available to authorized requisitioners and will be issued from Purpose Code A stock records. However, in certain instances, quantities of an item may be set aside or reserved for specific purposes. In these instances, the reservation may exist in one of two forms:

a. Stock retained in the same storage location/bin. The reservation is a memorandum record on the Purpose Code A Stock Balance Record.

b. Stocks in other than a normal issue storage location (Out of Bin). The reservation is retained on a separate stock balance record.

→ 2. **DEFINITIONS.** The following Purpose Codes apply to par. 1a, above and will be reflected as a cumulative quantity in the designated field on a single stock balance record under Purpose Code A. To avoid confusion with DoD Ownership Code (numeric) 0, assignment of Purpose Code (alpha) O is unauthorized.

Purpose Code	Card Field	Definition
A	On Hand	That total quantity of material held in store (and in the storage location) under the condition code reported.
B,C,D,E,F,G, H,J,K,M	Reservations	That portion of the quantity reflected in the On Hand field, which is held and protected to support a specifically designed program. The quantity of material available for issue is the On Hand quantity less the reservation quantity
S	Planned Requirements	That quantity of material recorded and reported representing an unfirm reservation expected to become firm in the future.
Z	Planned Requirements	Local requirements. May represent a level of stocks, that quantity of material located in shop's stores or preposted Planned Requirements or Reservations prior to confirmation by the inventory manager.

3. OUT OF BIN. The Purpose Codes L,Q,T,V,W and Y apply to par. 1b, above and will be reflected as a cumulative quantity in the On Hand field of a separate stock balance record under its own Purpose Code. F is a reportable Purpose Code under the Conventional Ammunition Inventory Management System (CAIMS) in accordance with NAVICP MECHINST 8010.12 Series.

4. SPECIAL RULES FOR OUT-OF-BIN STOCK RECORDS.

a. A separate stock balance record is established for Purpose Codes L (On Loan), Q (JCS Allocated Stocks), T (NALC Controlled), V (Progressive Rework), W (Special Pools) and Y (Contaminated).

b. All transactions are under the specific purpose code.

c. Transfer between Purpose Codes is authorized.

d. ICP direction to transfer between Purpose Code A and L, Q, V, W or Y is by the Dual Adjustment Transaction (DAC) reflecting both the From and To Purpose Codes.

06325 MILSTRAP CONDITION CODES

1. GENERAL. MILSTRAP condition codes are authorized and defined by DoD. The authorized condition codes, definitions, and guidelines for Navy usage are listed in NAVSUP P-485 Volume II Appendix 10. Condition codes are a mandatory data element on all stock records. Each change in condition code will be transaction reported to the applicable inventory manager by transaction reporting activities.

2. SUPPLY CONDITION CODE ASSIGNMENT. Supply Condition codes are divided into three categories: serviceable, unserviceable, and suspended. Serviceable material is material that is Ready For Issue (RFI). Unserviceable material is material that is Not Ready For Issue (NRFI). Suspended material is material, either RFI or NRFI, which has been temporarily suspended from issue. Supply condition codes will be assigned in accordance with the definitions and guidance in Appendix 10 as amplified below (except for ammunition which will be assigned condition codes in accordance with the guidance provided in NAVICP MECH Instruction P8010.12 series, Subj: Policy, Procedures, Responsibilities for Supply Management of Conventional Ammunition).

a. Supply Condition Code D may be used by inventory managers to set aside material for future alteration or modification.

b. Supply Condition Code E will be assigned to unserviceable repairables when only limited expense is required to complete repairs. For purposes of assigning this code, limited expense shall be defined as less than 50 percent of the standard price or replacement price if available. (If the extent of repair is unknown, Condition Code F should be assigned.) Condition Code E will also be assigned to Type II expired shelf-life items pending shelf-life extension.

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c. Supply Condition Code F will be the primary code assigned to unserviceable repairables. This code will be assigned to unserviceable items which are to be held for major repair or overhaul (i.e., estimated repair costs equal to or greater than 50% of the standard price or replacement price if available) and to items for which the extent of repair required is unknown.

d. Supply Condition Code G will be assigned to incomplete items only when the required parts have been or are being requisitioned. When the requisitioned parts are received, the item will either be inducted for repair/assembly (Condition Code M) or will be stored under Condition Codes E or F. If an incomplete item is to be stored with parts missing and the parts will not be ordered during the storage period, the item will be stored under Condition Codes E or F.

e. Supply Condition Code H will be assigned to all material which has been declared beyond economical repair; does not include unserviceable material which is to be retained for reclamation.

f. Supply Condition Code J will be assigned to material (usually material previously coded serviceable) which has become suspect by reason of inspection, spot testing, reports from users, damage to the storage area (e.g., water, fire or smoke damage), accident to the item (e.g., collision, dropping or falling), cuts, punctures, or tears in the outer packaging or other reasons which cause the assigned condition code to be suspect. Condition Code J will be assigned while trying to determine the material's true condition. If no such action is planned, the material will remain under its original condition code. No material will be stored indefinitely under Condition Code J.

g. Supply Condition Code K will be assigned upon receipt of material if no other condition code is already assigned to turn-in documents and the true condition of the material is unknown. Condition Code K will be assigned only temporarily pending determination of the true condition. K should be used for material turned in by another activity or a ship and is now awaiting screening. Material assigned Condition Code K shall be examined as soon as possible to determine the correct condition. Determination of the correct Condition Code is not required for Fleet Ballistic Missile (FBM) repairable receipts being held in K Condition Code. FBM repairable material may be held in K Condition Code until repair or disposal is authorized by the inventory manager.

h. Supply Condition Code M will be assigned to material transferred to a maintenance shop or activity for inspection, test, calibration, repair, rework, restoration, overhaul, etc. (does not include check and test of material while in J or K conditions or work on material not carried on local stock records).

i. Supply Condition Code P will be assigned to material that is to be held for reclamation. This code may be assigned to material previously carried in a serviceable condition (e.g., declared excess material) as well as condemned material or unserviceables that are beyond economical repair.

j. When reclamation activities do not have adequate facilities to test and classify the serviceability condition of reclaimed assets, they will identify such assets as Supply Condition Code R (Suspended - Reclaimed Items Awaiting Condition Determination). Navy receiving activities will attempt immediate classification of material received in Condition Code R to its actual code; e.g., Condition Codes A, D, E, F or H. Where immediate classification is not possible, Navy activities will record and report the receipt in Condition Code R and ensure that the assets are checked, tested, and classified to actual condition within the parameters prescribed.

k. When reclamation activities cite an actual supply condition code (i.e., other than R) for returned material, storage activities will cite that condition code when recording and reporting the receipt. However, if inspection at receipt shows the condition assigned by the reclamation activity is wrong, the storage activity records and reports the receipt citing the actual condition to which the item is classified, or Code K if the actual condition can't be determined. Material reported in Supply Condition Code K must be classified to actual condition.

06330 CATALOGS

1. TYPES OF CATALOGS.

- a. Federal Logistics (FEDLOG) Data on CD-ROM. Includes the Management List - Navy (ML-N), Management List - Consolidated (ML-C), Master Cross Reference List (MCRL), Identification List (IL), List of Items Requiring Special Handling (LIRSH), Master Repairable Item List (MRIL), Navy Item Control Number/National Item Identification Number (NICN/NIIN) Cross Reference.
- b. Management List (ML) and Bulletins - for subsistence and medical
- c. Afloat Shopping Guide (ASG)
- d. General Stores Catalog (Published by GSA)
- e. Federal Supply Schedule (Published by GSA)

- 2. REQUEST FOR PUBS. The Naval Publications and Forms Directorate (NPFDD) of NAVICP PHIL manages all Navy subscriptions of FEDLOG. Requisitions for in-print copies of publications should be submitted in accordance with NAVSUP P-2003.

06335 CHANGE NOTICE DATA

1. NAVY MANAGEMENT DATA FILE. The Navy Management Data File (NMDF) is the Navy's master file of management data for NSNs which the Navy has registered cataloging interest. Ammunition, cryptographic, subsistence, forms, and publications are excluded from this file. This file is maintained by receipt of monthly change notice transactions from NAVICP and catalog management data from the Defense Logistics Services Center, which is converted to Navy change notice. The total policy for change notices is contained in par. 02400 which provides specific instructions to each supply level. NAVSUP P-485 Volume II Appendix 13 contains the change notice codes in a briefer form. Appendix 28, DI BN_, contains the formats for change notices.

2. EXCHANGE OF MANAGEMENT DATA.

a. CATALOG MANAGEMENT DATA (CMD). Vehicle used to communicate management data between Item Material Managers (IMMs) and the Military Services. CMD data is used to update the Navy Management Data File which is maintained by FMSO. This information is then passed on to most ashore/afloat activities by change notice data.

b. CHANGE NOTICE DATA. Media for transmitting management data to manual/mechanized field activities. Forwarded monthly by FMSO via cards or magnetic tapes. Cards are now tailored to activity records for those activities who participate in the Master Tailored Interest File (MTIF) program.

06340 TRANSACTION ITEM REPORTING

1. DEFINITION. Transaction Item Reporting (TIR) is how stock points report adjustments in their inventory to the Inventory Manager (IM). TIR occurs daily. IMs are provided with information covering receipt, issue, and adjustments of inventory.

2. TIR TRIGGERS. Under TIR procedures, stock points only report on items that have had some type of action occur. Stock points also provide, along with the transactions, a closing balance of material remaining on hand. Receipts and adjustments are posted daily to the ICP's Master Data File. Once posted, IMs use these adjustments to determine the availability of assets to fill requisitions and to release backorders for issue when assets are delivered and reported on hand. When decreases result in assets falling below the system or activity reorder level, a Supply Demand Review (SDR) trigger will be generated. The IM uses SDR to determine if stocks are now too low and should be replenished.

3. TIRS AND FINANCIAL. TIRs are also instrumental in billing customers where issues have been made. Additionally all transactions received are processed to maintain the Financial Inventory Control Ledgers (FICL), if the activity sending them operates under Central Accounting and Billing (CAB) procedures.

4. BASIC OBJECTIVES OF TIR. TIR in its most simple context is nothing more than a stock point advising the ICP of an action which affects the inventory record of the stock point and ICP. Correct and timely TIR is a major element in an ICP's ability to accurately maintain inventory and financial records, and to adequately maintain inventory levels to satisfy customer requirements.
5. FUNCTIONS SUPPORTED BY TIR. Each TIR is identified by a DI. Transaction item reports provide the ICP with information to perform the following functions:
 - a. Establish, Validate, and Update Records. Identify transactions requiring ICP review.
 - b. Calculate Lead time and on-hand assets for backorder release.
 - c. Record demands; carcass returns; repair inductions, regenerations, and disposals; lead time.
 - d. Identify Items for Supply Demand Review (SDR), reorder point deficiencies and unexpected asset increases.
 - e. Follow-up on Overdue Items in the Due-in, Due-out File (DDF).

06345 DISPOSAL/EXCESS

1. GENERAL. Excesses are items of inventory which are on hand and the quantity is over and above the retention limit established by OPNAVINST 4440.18. If an item is stocked due to an allowance/insurance/preposition war reserve material requirement, the retention quantity is considered to be the reservation quantity. For a demand based item, the retention limit is based on average monthly or quarterly demand. Activities will refrain from establishing separate warehouse facilities to store excess property.
2. CAUSES. Excesses are caused by many factors, such as:
 - a. Demand fluctuations.
 - b. Discontinued programs.
 - c. Cognizance transfers.
 - d. Changes in support responsibilities.
 - e. Bad buys, normally inventory manager decisions.
 - f. Material Turned Into Stores (MTIS).
3. REASONS FOR EXCESSING. Excessing is required by the Office of Management and Budget (OMB), Naval Supply Systems Command (NAVSUP) and the Navy Fleet Material Support Office (FMSO) under certain conditions. The practical reasons for excessing are:
 - a. Reposition DoD assets where they will provide greatest benefit to the customer.
 - b. Reduces workload in storage.

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- c. Releases valuable space in storage.
- d. When the wholesale manager is in a buy position, the ICP will buy back excesses and authorize credit to the activity's allotment, returning funds to that activity for other purposes.
- e. One activity's excess may be another activity's shortage and prevent unnecessary buys and/or improve supply support.
- f. When a stock point has no need for excess stock, a formal inquiry procedure to declare excess material to the wholesale item manager via the DoD Material Returns Program (MRP) per par. 02155.

06350 STOCK EXCESS DETERMINATION

1. The ICP will direct identification of stock excess (for items under TIR procedures). Stock points make certain excess determinations on centrally managed items, as directed by higher authority, by appropriate change notice or if the item is locally managed on a pull basis.

2. LOCALLY MANAGED ITEMS PROCEDURES.

a. Periodically, at least once a quarter on a scheduled basis, usually commencing right after the quarterly level update, all stock records are screened to determine excess quantities. The on hand quantities are compared to the authorized retention level. This comparison also matches excesses on substitute NSNs to the deficits of the basic NSN to determine the net excess quantities.

b. A review is also made prior to output of excess documents to determine if any excess stocks may be used to satisfy PWRM deficiencies. If excess stocks are available, a notification card is output for transmittal to FMSO, which will use these cards to prepare revised reservation directive cards for the activity in order to "capture" these excesses. The excesses remain on the stock records available for issue until the new directive cards are received.

c. If there are any outstanding dues on excess items, a notification card is produced for the activity to attempt cancellation of the due.

d. Normally, the excess quantities remain on the MSIR until the interrogation responses or disposal directives are processed.

e. Excesses identified will be processed in accordance with NAVSUPINST 4440.157 series.

3. MATERIAL RETURNS PROGRAM. When on hand excesses are identified, the DI FTE procedures will be initiated. For the total Material Returns Program, see par. 02155.

4. ICP DIRECTED PROCEDURES. For the ICP actions involved see par. 02150. The stock point responsibilities are as follows:

a. When stock points receive Disposal Release Orders (DRO), DI A5J, they will retain the quantity shown in rp 55-61 and turn in the remainder to disposal. If the quantity on hand is less than the quantity in rp 55-61, a Disposal Release Denial will be sent to the IM in accordance with par. 4c below.

b. In those cases where the quantity on hand is sufficient to release material to disposal, a Disposal Release Confirmation (DRC) document will be prepared in the format shown in Appendix 28.

(1) When the quantity shipped is the same as the quantity requested in the DRO, DI ARJ will be used.

(2) When the quantity shipped is greater than the quantity requested, DI ARK will be used; when it is less, DI ARL will be used.

(3) If the quantity transferred to disposal exceeds the capacity of the quantity field of the confirmation document, it will be processed off-line.

c. In those cases where the Disposal Release Follow-up document (AFJ) is received, one of the following actions will be taken:

(1) If the DRO has been complied with and shipment made, a duplicate DRC document will be forwarded. If disposal has been denied because it was below the retention quantity, a duplicate Disposal Release Denial document will be forwarded.

(2) If the DRO has not been complied with and shipment is anticipated, the stock point will use the format in Appendix 28 with DI AEJ in rp 1-3 and the estimated shipping date in rp 57-59.

(3) If there is no record of the DRO, the response will be formatted as in Appendix 28 with DI AEJ in rp 1-3 and Supply Status Code BF in rp 65-66.

d. Disposal Release Denial (DRD) document will be prepared and transmitted to the IM as notification of a negative action on a DRO. It will be formatted as shown in Appendix 28 and will contain DI A6J. Appropriate adjustments will be made to the inventory records. If an A5J directive is received and is suspected to be an error, an off-line challenge message will be sent to the IM.

e. Stock point response to a Disposal Release Cancellation received from the IM is by one of the following documents:

(1) When shipment is made, response to the IM is a Disposal Release Confirmation unless recoument from the DPDO can be done locally.

(2) When the cancellation is done, response to the IM is prepared in the same format as the cancellation request except that rp 4-6 contains the Routing Identifier Code (RIC) of the IM's activity to which the document is transmitted and rp 67-69 contains the RIC of the preparing activity. The document shows DI AGJ.

f. A Disposal Release Cancellation Follow-up (AKJ) document (received by a stock point) is processed as a cancellation request provided the original wasn't received. If it was received and all required actions are completed, the stock point responds to the Disposal Release Cancellation Follow-up by duplicating the previously submitted documentation.

06355 TECHNICAL SCREENING

1. DEFINITION. Technical screening is the crossing of reference part number-type requirements to NSNs. This helps prevent local purchase of supply system items.

a. Part numbered items may not be bought locally unless assurances are obtained that a National Stock Number (NSN) is not available or material is not present in the supply system if an NSN is found. The primary means to ensure an NSN is not assigned to a requested item is to use the data provided by the customer such as the Commercial and Government Entity for Manufacturers and Non-Manufacturers (CAGE), part number, military specifications, or other identifying number. You should then attempt to cross that number to an NSN using the Federal Catalogs, ICP data bases, Hardware Systems Command technical manuals, or other technical manuals.

b. To identify NSNs, technical screening sections require readily accessible libraries with references as the Federal Catalogs (Management List-Consolidated (ML-C), Management List-Navy (ML-N), Master Cross Reference List (MCRL), Identification Lists (ILs), Federal Item Logistics Data Record (FILDR). A commercially available cartridge edition of the MIL and FED specifications, commercial catalogs, and vendor listings would also be helpful. Thorough research also includes a DLSC screen.

2. PROCEDURES.

a. Technical screening activities should establish minimum standards for the reference number requisitions received from customers as to data content. The foremost requirement should be the CAGE. The technical codes should contact the customer via message or phone for additional data if the minimum requirements are not met; continued processing should not be attempted until the data necessary to attempt a NSN crossover is present.

b. Technical screening technicians should annotate local nonstandard documents as to any NSNs found for the item requested, but rejected as unsatisfactory, and the general reason why. This documentation will serve as data that can be referenced, if the document is rescreened at a second activity and the rejected NSN is again found. This can occur when the initial screening is done at a shipyard or overhaul facility and the requisition is then passed to the stock point where a duplicate effort is performed.

c. Requisitions containing Acquisition Advice Code L for local procurement may be repetitive in nature when requisitions for L items are reviewed by the technicians and the Federal Catalog description for the item, plus potential sources, is placed in a package for the buyers. Records should be maintained to prevent new research when this item is requested again. The files or records may be automated or manual depending on the capability of the activity.

d. When the research is complete and the requisition is converted to a DD 1348-6, the DD 1348-6 will be submitted to procurement for purchase action

3. DEMAND DATA RECORDING.

a. From the information entered on the DD 1348-6, the DI BHJ document will be prepared to record the demand with the ICP. When the ICP receives three hits for the same activity in six months, the item is reviewed for NSN assignment. The document format for DI BHJ is displayed in Appendix 28.

b. Demand only transactions, DI BHJ, will be transmitted to the appropriate Navy ICP for nonstock numbered items satisfied through local purchase/manufacture actions when:

(1) The item can be positively identified by the referenced FSCM and part number without the need for additional identifying item characteristics.

(2) The item is required in support of weapon systems/end items for which Navy ICPs have program support responsibility.

c. The only exceptions to this requirement are:

(1) Nonstock numbered items purchased/manufactured locally at the direction of Navy ICPs subsequent to receipt of requisitions for which demand has already been recorded.

(2) Source Code N (manufacture locally) items addressed under Note #2, par. 1h of enclosure (2) to FASOINST 4225.1 (latest series). Cataloging and stock determination reviews for the aforementioned Source Code M items will not be initiated based on BHJ transactions submitted by manufacturing activities.

d. Demand data for nonstock numbered items repetitively purchased/manufactured locally for which the CAGE and part number do not positively identify the items, or for items which are not weapon systems/end item related, or for items required in support of commercial equipment not normally provisioned by the Navy ICPs, will be reported to the appropriate Navy ICP through use of NAVSUP Form 87 (ICR-Item Control Recommendation) as prescribed under par. 21144, Chapter 2, NAVSUP Manual, Volume II, Supply Ashore.

e. All BHJ transactions must contain a Navy ICP assigned NICN or a part number reference in rp 7-28. In addition, when a part number reference is contained in rp 7-28, a CAGE must be contained in rp 59-63. BHJ transactions containing other than the specified data in rp 7-28, or lacking a CAGE in rp 59-63 when a part number reference is contained in rp 7-28, will be returned to the submitting activity via a reject transaction, DI BHX, for corrective action.

f. Submitting activities will ensure submission of a DHA or BHJ demand only transaction to the appropriate Navy ICP for each stock numbered/nonstock numbered item satisfied through locally directed purchase/manufacture/repair action. Determination of the appropriate Navy ICP to receive BHJ transactions will be based on the technical reference data contained in rp 48-58 of the demand only transactions.

g. Submitting activities will ensure that all BHJ transactions submitted to NAVICP PHIL and/or NAVICP MECH contain the technical reference data set forth opposite rp 48-58 of the BHJ transaction, or when part numbered requisitions/other purchase requests are submitted to another activity for supply action, ensure that the technical reference data specified for inclusion in the BHJ transaction is included in the requisition/purchase request.

PART E: PHYSICAL INVENTORY CONTROL**06500 PHYSICAL INVENTORY**

1. GENERAL. This part provides procedures, performance objectives, and effectiveness reporting to enhance supply effectiveness by improving the accuracy of inventory control and asset information in the wholesale supply system of the Department of Defense (DoD). For intra-Navy procedures, use the NAVSUPINST 4440.115 series.

a. Basic elements of the physical inventory control program addressed apply to the Military Department and the Defense Logistics Agency (DLA), hereinafter referred to as DoD Components, and establish:

(1) Uniform procedures, based on existing DoD policy, for maintaining accurate records, conducting physical inventories and location surveys/ reconciliations, researching potential inventory discrepancies, and for quality control of work processes affecting inventory accuracy.

(2) Management control of all DoD wholesale supply system assets of:

(a) principal items,

(b) package fuels,

(c) secondary items on hand at CONUS and overseas depots as well as other selected distribution system storage sites including contractor owned and/or operated facilities when assets are maintained on the DoD wholesale accountable records (excluding loaned material), and

(d) ammunition.

(3) Comparable measures of performance for cost effective analysis among the various inventory control systems.

(4) Reporting procedures necessary to measure the effectiveness of physical inventory control in the DoD supply system.

b. EXCLUSIONS.

(1) These procedures are not applicable to bulk petroleum, complete ships, aircraft, ballistic missiles, nuclear weapons, and space vehicles; contractor-owned and/or operated facilities for which the assets are not maintained on the DoD wholesale accountable record; Industrial Plant Equipment (IPE) reportable to the Defense Industrial Plant Equipment Center (DIPEC); and National Security Agency assets.

(2) Physical inventory control procedures for bulk petroleum are contained in DoD 4140.25-M, Procedures for the Management of Petroleum Products.

(3) Nuclear weapons for which DoD has custodial responsibility are inventoried in accordance with JCS Pub 1-03.7, Joint Reporting Structure Nuclear Weapons Reports JCS Pub 6, J.

2. POLICY. DoD policy is contained in DoD Instruction 4140.35, Physical Inventory Control for DoD Wholesale Supply System Material.

3. PHYSICAL INVENTORY PROCEDURES.

a. The nature of inventory inaccuracies and the cost of counting and reconciliation require that the approach to the taking of physical inventory be more selective than the "100 percent wall-to-wall total item count" concept. Available inventory resources must be directed toward those discrepancies, controlled inventory items, and high usage items for which the maximum returns will be derived from the resources which are applied.

b. DoD Components will conduct scheduled inventories on all items for which they are accountable, as follows:

(1) Items subject to physical inventory not less than once each fiscal year:

(a) Controlled inventory items. The following controlled inventory items require complete physical inventory and do not qualify for use of a random statistical sampling approach:

(1) Top secret.

(2) Narcotics, drug abuse items, and alcohol.

(3) Category I nonnuclear missiles and rockets (semiannually in accordance with DoD 5100.76-M.

(4) Precious metals

(5) Small arms.

(6) Radioactive items.

(7) Inert nuclear ordnance materiel.

(8) Other items that may be designated by OSD or the DoD component.

(b) If ammunition or subsistence is subjected to complete inventory, physical inventory, and location survey may be conducted concurrently.

(c) Controlled inventory items not subject to annual complete physical inventory must be subjected to annual random statistical sampling. Acceptable statistical sampling techniques are widely recommended and may be used so long as every item included in the population has an equal probability of being selected in the sample. The statistical sampling technique must provide reasonable assurance (as a minimum) that the property accountability records are 85 percent accurate (95 percent for ammunition) with a 95 percent level of confidence, and a maximum margin of error of 2 percent. Sample inventories which do not satisfy the above criteria will be subjected to complete physical inventory of the population from which the sample was selected.

(2) Items not scheduled for a complete inventory or annual random statistical sampling are subject to a random sampling or selective physical inventory. All items are candidates for inventory. But usually the Navy selects items that impact supply support the most.

c. The random sampling technique will be guided by the following criteria:

(1) If used, a minimum of one-third of those items not inventoried by other-means shall be the universe for performing sample inventories each year and each item will be included at least once in the sample universe during a three year period.

(2) Samples which do not meet the DoD acceptable accuracy level of 85 percent (with a 95 percent confidence level) will be subjected to a total item inventory not later than 90 days following the month in which the sample fails to meet the established level. Accuracy level quantities will be established based on sample size as indicated in MIL-STD-105, Sampling Procedures and Tables for Inspection by Attributes.

(3) The inaccuracies to be used as the basis for measuring performance will only be those major variances which have been properly classified after due consideration of all infloat documentation.

(4) When resources permit, DoD Components may impose a more stringent major variance rule for greater internal control.

d. Physical inventory procedures will provide the required asset-to-record accuracy with positive control of material and documentation which are infloat, including material release orders, receipts, catalog, and other data changes, etc. Physical Inventory Cutoff Dates (PICDs) and Physical Inventory Infloat Control Dates (PIICDs) must be established, and the ability to strike the accountable record balance and to identify and consider all preinventory and postinventory actions must exist. Storage activities will observe the established PICD and transmit the DI DKA Physical Inventory Count transactions to the ICP within 30 calendar days subsequent to the PICD. See par. 3j below regarding rescheduling inventories.

e. Physical inventory and requisition processing systems/procedures will be designed to enhance inventory effectiveness as follows:

(1) The volume of infloat accountable documents during the period required for an item count will be minimized by suspending the issue of low priority material release transactions for items undergoing inventory unless there is a positive control over infloat documentation (i.e., material release of items undergoing inventory will be restricted to high priority transactions such as DoD Directive 4410.6, Uniform Material Movement and Issue Priority System (UMMIPS), Priority Designators 01-08).

(2) The time required for inventory is reduced via the optimum design of sample size.

(3) The potential for inaccuracies is reduced by preinventory planning to include:

(a) Actions to ensure location integrity by correcting such situations as unbinned/loose material; questionable identity of material in location; and multiple conditions, shelf-life (including pack/date of expiration) and/or material lots stored in a single location.

(b) Document cleanup to ensure to the extent possible that adjustments and transaction reversals are posted to the record, in process receipts are stored in location, and related transactions are transmitted to the Inventory Control Point (ICP) prior to the established physical inventory cutoff date.

f. All receipts done during the inventory period for which material is placed in stock, recorded on the custodial records, and included in the inventory count will be accounted for as preinventory transactions. Internal procedures will be established to prescribe the criteria to account for the inventory count, and to control and process the receipt documents.

g. Type of physical inventory/transaction history codes are provided to permit identification of the types of inventories and/or to indicate custodial balance and transaction history transmission requirements. The appropriate code will be entered in rp 7 of DI DJA, DJB, DKA, DJJ and DZK transactions.

h. A scheduled or unscheduled inventory may be requested by one inventory manager, Accountable Property Office (APO) or APO designated representative, or storage activity for commingled assets belonging to more than one Service/Agency owner. When commingled assets are to be inventoried, the storage activity will provide a DI DJB Inventory Notification to the affected owners/managers. Instructions regarding the preparation and transmission of the DJB notification are contained in par. 3i(4) below. When commingled assets are owned by multiple managers within a single Service/ Agency, use of the inventory notification is optional.

i. UNSCHEDULED INVENTORIES.

(1) Before a special physical inventory is requested by authorized personnel, the date that the last inventory was taken will be determined. If an inventory has been taken within the past 90 days, an effort will be made to construct a transaction history and from it determine what the item asset position should be or what discrepancy may have caused an imbalance. Only when these efforts fail to produce satisfactory results will special inventories be generated. The procedure for restricting special inventories may be waived when the inventory manager has recorded backorders for the item involved. Special inventories will be requested by transmitting to storage activities DI DJA Physical Inventory Request transactions which will cite Type of Physical Inventory/Transaction History Code C in rp 7. When punched card transactions are used, they will be prepared on general purpose cards. When information for a specific supply condition code is required, cite Code D in rp 7 of DI DJA.

(2) Spot inventories will be done as a result of a total or partial material denial.

(3) When an unscheduled inventory is requested for commingled assets, storage activities will transmit DI DJB Physical Inventory Notifications to affected managers as prescribed in preceding par. 3h.

(4) DI DJA Physical Inventory Requests and DI DJB Physical Inventory Notifications will cite a Physical Inventory Infloat Control Date (PIICD) in rp 35-38 and a Physical Inventory Cutoff Date (PICD) in rp 61-64. These dates will be used to strike the accountable record balance, initiate controls over inprocess materials and transactions, and determine whether the inventory count is in agreement with the inventory record balance. The physical inventory infloat control date must precede the physical inventory cutoff date by not less than 5 days. Physical inventory requests and notifications must be forwarded to the intended recipient at least one day preceding the physical inventory infloat control date. DoD Components may establish other time standards for these dates within distribution systems under their control.

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(5) Storage activities will observe the established PICD shown in the request/notification and transmit DI DKA Physical Inventory Count transactions to the ICP within 10 calendar days subsequent to the PICD.

j. RESCHEDULING INVENTORIES. When the storage activity cannot meet the established inventory time frame (e.g., when a request has been received and the schedule cannot be met or sufficient time does not remain to notify other affected owners/managers), the storage activity will reschedule the inventory. In such instances, the storage activity will provide a DI DJB Inventory Notification to each affected owner/manager. Activities receiving DI DJB Inventory Notifications will take action to delete any previously established inventory controls, including physical inventory cutoff and infloat control dates, and establish new controls based on the data provided in the DJB notification.

k. RECORDING INVENTORY COUNTS.

(1) Use Service/Agency prescribed forms to inventory and record actual counts.

(2) The DA Form 3020, Magazine Data Card, or DD Form 1574, MIL-STD-129 Tag balance may be used as the first count for ammunition.

(3) After postcount validation and preadjustment research, the storage activity will update the custodial record. When the custodial record reflects more than one owner for commingled assets, the storage activity will attempt to determine where to apply any gain or loss. If a determination cannot be made, all gains and losses will be recorded on the custodial record for the DoD manager to the extent possible (i.e., a confirmed recorded loss may never exceed the recorded balance). If the manager is non-DoD, gains and losses will be prorated among owners having balances. Foreign owners will incur no gains or losses as a result of inventory adjustments. When foreign owned assets are the only remaining balance, the ICP will effect resolution in accordance with existing DoD policy.

l. REPORTING INVENTORY COUNTS.

(1) Inventory counts are transmitted on DoD ID DKA Physical Inventory Count transactions. Punched card transactions will be prepared on general purpose cards.

(2) If the count resulted in a zero balance for all conditions, the storage activity will submit one count card for the National Stock Number (NSN) citing a zero quantity and a blank supply condition code. If there was a positive count for any condition, the storage activity will submit one count card for each condition having a positive balance for the NSN.

(3) DoD Component policies and inter-Service/Agency agreements prescribe the basis for segregating material in storage. When material is maintained in segregated storage, the appropriate codes for the segregated stock will be entered in the count transaction(s). Enter Management Code N in position 72 of each count transaction when the quantity reflects a balance from a noncommingled storage location(s). When the custodial record reflects more than one owner for commingled assets, the storage activity submits count transactions to each owner. If the count resulted in a zero balance for all conditions, submit one count transaction with a blank supply condition code to each owner. Enter Management Code Y in position 72 of each count transaction when the quantity reflects a balance from a commingled storage location(s).

(4) When subsequent ICP research reveals that a previous accountable transaction(s) was not recorded against an owner/manager balance, the owner/manager will take corrective action and advise the storage activity to initiate corrective action locally if appropriate (e.g., reverse the original inventory adjustment(s) and post the missing transaction(s) and submit revised inventory count transactions to owners/managers as necessary.

m. RECONCILIATION OF INVENTORY COUNTS WITH ACCOUNTABLE RECORDS

(1) Reconciliation of the inventory count with accountable records will be the responsibility of the ICP.

(2) The intra-Service/Agency (or inter-Service/Agency based on agreement of the DoD Components involved) reconciliation of inventories may be done by a match of the storage activity onhand balance record (which has been verified by a physical count) and the ICP accountable record.

(3) The intra-Service/Agency (or inter-Service/Agency based on agreement of the DoD Components involved) inventory reconciliation process may include the consideration of transactions processed by the ICP and the storage activity for 15 days prior to the time the count data are recorded on the storage activity record. When DoD Component procedures require automatic depot submission of 15 days transaction history along with the DI DKA inventory count transaction(s), the DI DZK Transaction History Transmittal will be used to submit the history data. The DIC DZK transaction will cite Type of Physical Inventory/Transaction History Code W in position 7 to identify automatic history submission.

(4) DoD Component policies and inter-Service/Agency agreements prescribe the basis for segregating material in storage. When material is maintained in segregated storage, the storage activity enters the appropriate codes for the segregated stock in the count transaction(s).

(5) After postcount validation and preadjustment research, the storage activity updates the custodial record. When the custodial record reflects more than one owner for commingled assets, the storage activity attempts to determine where to apply any gain or loss. If a determination cannot be made, all gains and losses will be recorded on the custodial record for the DoD Manager. If the manager is non-DoD, gains and losses will be prorated among owners having balances. Foreign owners will incur no gains or losses as a result of inventory adjustments. When foreign owned assets are the only remaining balance, resolution will be in accordance with existing DoD policy. When an owner/manager determines that a count is erroneous because an accountable transaction did not update a custodial record owner/manager balance, the owner/manager will take corrective action and advise the storage activity to initiate corrective action locally if appropriate (e.g., reverse the original inventory adjustment(s) and post the missing transactions) and submit revised counts to owners/managers as necessary.

(6) ICPs will generate and process the necessary increase or decrease inventory adjustment transactions against the accountable records. Inventory adjustment transactions will cite DI D8A or D9A as appropriate.

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n. RECONCILIATION OF ACCOUNTABLE RECORDS WITH FINANCIAL VALUE RECORDS. Service/Agencies will internally prescribe procedures to reconcile accountable record property values with financial record values to ensure compatibility of the total inventory value reflected by these records and associated reports.

o. REQUESTING AND REPORTING RECOUNTS.

(1) When recount is required, the ICP will prepare a DI DJA Physical Inventory Request transaction citing Management Code M to indicate a request for recount.

(2) Storage activities will perform the recount actions and will report the count to the ICP within 5 calendar days subsequent to the physical inventory cutoff date in the request using the DI DKA Physical Inventory Count transaction. The transaction will cite Management Code M to indicate submission of a recount.

(3) Recount is not required when the value of the variance for the NSN is \$800 or less and the item is not controlled.

4. RESEARCH OF POTENTIAL OR ACTUAL PHYSICAL INVENTORY ADJUSTMENTS.

a. DoD Components will ensure that potential or actual adjustments are researched in accordance with the value of the adjustment and type of item involved. A reduction of the volume of erroneous adjustments can only be achieved by conducting specified degrees of research before posting the adjustment transaction. The DoD criteria for this research, displayed in the Decision Rules Chart at the end of this paragraph, will be used as the basis for selective research by activities accountable for supply system material. More stringent research requirements may be imposed by DoD Components based upon the limits of resources available and upon specific asset control problems.

b. Analysis of inventory adjustments is vital in order to:

(1) Provide the item manager with some indication of the failures in the control systems so improvements can be made.

(2) Reduce similar discrepancies in the future.

(3) Ensure that the proper adjustment was made.

(4) Evaluate indicators of trends or system problems for corrective action.

c. PROCESS TIME. Timely completion of the research of potential adjustments is essential. Delay only increases the complexities of adequate research and reduces the probability of conclusive research. DoD Components shall specify the maximum time frames which will be permitted for completion of research before the adjustment is processed to the accountable record.

d. When circumstances prevent implementation of the criteria, set forth in the Decision Rules Chart at the end of this paragraph, and reduced adjustment criteria are required, the DoD Components taking exception will submit their alternative research criteria to the DoD MILSTRAP System Administrator with justification for the proposed change.

e. For intra-Service/Agency (or inter-Service/Agency based on agreement of the DoD Components involved) reconciliation of inventories, the ICP may request transaction history and/or custodial balances from the storage activity for analyzing inventory discrepancies. The history/balance is requested using DI DZJ Transaction History/Custodial Balance Request citing the appropriate Type of Physical Inventory/Transaction History Code in position 7. When transaction history is requested, the transaction history time frame (start with date and number of prior days history required) is entered in positions 25-31. The storage activity provides the transaction history data using the DI DZK Transaction History Transmittal. The transmission media is determined from the Type of Media Code entered in position 60 of the DI DZJ request. The storage activity provides custodial balances using the DI DKA Physical Inventory Count transaction; the Type of Physical Inventory/Transaction History Code Y or Z in position 7, perpetuated from the DI DZJ request, identifies the quantity entered as a custodial balance.

f. **ERROR CLASSIFICATION.** Once the causes of potential/actual inventory adjustments are determined, they will be classified, analyzed and evaluated so action may be taken to correct what caused the error. For analysis and evaluation, error conditions will be identified and classified by type. For reporting purposes, each error type has been identified by an alphabetic or numeric code (error classification codes) as displayed in NAVSUP P-485 Volume II Appendix 10. These error classification codes reflect intraservice procedures. Inter-service procedure which requires three positions will not be implemented at this time due to the extensive reprogramming effort required. The requirement will be incorporated in the Stock Point ADP Replacement (SPAR) modernization design.

g. Unresolved physical inventory loss adjustments for controlled inventory items will be referred to security officials of the storage activity from which the loss occurred. This will help determine whether there is probable cause to suspect theft.

h. **STANDARD DOCUMENTS.** NAVSUP P- 485 Volume II, Appendix 28 shows DoD standard document formats, data codes, and criteria for the preparation and processing of material release denials at storage activities and inventory control points. To help validate material denials, a denial suspense procedure will be implemented by the ICP. The suspense procedure shall, as a minimum, designate an organization responsible for:

(1) Allowing a time delay, between the discovery of the potential discrepancy which resulted in denial and the processing of an accountable record adjustment, to perform research.

(2) Prescribing a time limit, not to exceed 30 days, on the period a potential discrepancy may remain suspended.

5. **REVERSAL OF INVENTORY ADJUSTMENTS.** Reversals of inventory adjustments are a required capability which must be implemented with proper controls. Procedures for reversing adjustments will contain, as a minimum, the following control features:

a. A time limit, not to exceed two years measured from the date of the original adjustment transaction, is established for processing reversals. If an inventory has been completed between the date of the original adjustment and the date reversal action is attempted, the reversal isn't be permitted.

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b. Use of the original adjustment document number to effect reversals and an edit to match document numbers. Reversal of unmatched document numbers will not be permitted.

c. A capability to separate and identify reversals against transactions processed within the adjustment reporting period to report:

- (1) Gross adjustment during the current period,
- (2) Reversal of prior quarters' adjustment transactions,
- (3) Reversal of current quarter's adjustment transactions, and
- (4) Total value of net adjustments during the current period (i.e., value of net gains added to value of net losses).

6. LOCATION AUDIT PROGRAM. Each DoD Component will implement a location audit program which will consist of both a location survey and a location reconciliation. The DoD acceptable accuracy goals are (a) Location Survey Accuracy - 97 percent, and (b) Location Reconciliation Accuracy - 97 percent.

a. LOCATION AUDIT PROGRAM ERRORS.

(1) There are three types of errors uncovered in the location audit program.

(a) Type 1. Accountable/custodial records show a positive stock balance with no supporting locator record, a locator record established with no physical assets in storage, or physical assets in storage with no supporting locator record.

(b) Type 2. Locator record with no supporting accountable record. (Location reconciliation error only.)

(c) Type 3. Mismatch of any of the following data elements (when optional elements are included in the location survey or location reconciliation program, they will be used in calculating the accuracy rate):

1. Unit of issue.
2. Supply condition code.
3. NSN has been deleted or is under the cognizance of another inventory manager.
4. Ownership code (for location reconciliation only).
5. PHYSICAL SECURITY/PILFERAGE CODE. (For location survey, verification of the code will consist of ensuring that assets are stored in areas providing the degree of security commensurate with the assigned code.)
6. Shelf-life code.
7. Quantity (optional).
8. Type of pack code (for subsistence only).

9. Inventory category code (optional) (for location reconciliation only).

(2) Errors will be subject to validation research before they are counted as an error. Location audit program results will be reported in the Inventory Control Effectiveness Report as prescribed in par. 10. Only one error per surveyed location and one error per location reconciliation line item with discrepancies is to be reported; however, DoD Components will collect and analyze all Type 3 errors by element.

b. LOCATION SURVEY.

(1) Location survey requires a physical verification, other than actual count, between actual assets and recorded location data to ensure that all assets are properly recorded as to location, identity, condition, shelf-life code and unit of issue. As an option, Services/Agencies may include a quantity comparison for physical inventory purposes. In some instances, location survey and physical inventory will be conducted concurrently for ammunition.

(2) A complete location survey of all items at each storage activity will be conducted not less than once each fiscal year and more frequently if the need is indicated.

(3) The proper sequence of operating a location survey requires the comparing of assets found in storage locations with locator records. This sequence of operation is important to detect assets in unrecorded locations.

(4) As an objective, it is desirable to identify items to inventory lots or segments. Lots/segments will be of a manageable size (number of items) to permit location survey in a minimum time period, to ensure maximum uninterrupted service to customers and to obtain the greatest degree of accuracy from the location survey.

(5) Items within a lot/segment which have been subject to a complete item inventory will be considered to have satisfied the annual survey requirement when the entire lot/segment is located in a clearly designated, conterminous warehouse space. These inventoried lot/segments may be excluded from the complete survey for the fiscal year in which they were counted.

(6) When permanent locations are reserved for items, recorded locations which are unoccupied should be identified and/or verified during the location survey. These records should be appropriately coded or deleted from the location reconciliation.

(7) To measure the accuracy of the results of the location survey, discrepancies will be classified in one of the three categories listed below. Only one error is charged when locator kill/delete, or locator establish, or locator record correction is required for the same location (i.e., one error per NSN per location). When the NSN and actual assets differ, the discrepancy will be classified as a locator establish action only.

(a) LOCATOR RECORD KILLED/DELETED. The removal or change of a locator record when there is a recorded location but no physical assets unless the location is being held open for new receipts. (Type 1 Location Audit Program Error.)

(b) LOCATOR RECORD ESTABLISHED. The recording of locations when assets are physically found in storage and no locator records exist, or when the recorded NSN disagrees with the material in the location. (Type 1 Location Audit Program Error.)

(c) LOCATOR RECORD CORRECTED. Changes to the locator record when physical asset identification characteristics differ on the elements identified in par. 6a(l)(c) as applicable to location survey. (Type 3 Location Audit Program Error.)

c. LOCATION RECONCILIATION.

(1) GENERAL. Location reconciliation requires a match between valid storage activity records and the accountable records in order to identify and to correct situations where (a) items are in physical storage but not on record, (b) on record but not in storage, and (c) where common elements of data (may include quantity) do not match. Mismatches will be researched and special inventories conducted when required to effect corrective action.

(2) SCHEDULE. A location reconciliation is done not less than once, each fiscal year.

(a) An intra-Service/Agency location reconciliation is scheduled by the Navy.

(b) An inter-Service/Agency location reconciliation will be conducted when items are stored by one DoD Component for another DoD Component which manages and accounts for the items. Interservice reconciliation requests will be prepared on the first Tuesday in September and transmitted no later than the 15th day of September. (When quantity is included based on agreement of the DoD Components involved, the actual cutoff date will be negotiated each year by the affected DoD Components.) Due to the nature of the ammunition program and to the magnitude of DLA items positioned at Service storage sites, the reconciliation schedule at these storage locations pertaining to ammunition and DLA items will be as mutually agreed to by the SMCA/DLA and applicable Service. (See Joint Regulation DLAM 4140.2, AR 735-110, NAVSUPINST 4400.79, MCO P4400.101, Supply Operations Manual, Distribution Procedures, Volume I for DLA items and DoD 5160.65-M, Joint Operational Policies and Procedures, part 7, chapter 6, for ammunition.)

(3) PREPARATION PROCEDURES. Storage activities prepare location reconciliation request transactions by condition for each NSN in the locator file. Location reconciliation requests are identified by DI DZH and are prepared in the format in Appendix 28. For intra-Service/Agency requests (or inter-Service/Agency requests when agreed by the DoD Components involved) the reconciliation request may include the applicable quantity for the owner/manager in positions 25-34. The reconciliation requests are transmitted to the ICPs that are accountable for the items. Intended recipients of reconciliation requests are advised of the total number of transactions being forwarded. The intra-Service/Agency (or inter-Service/Agency based on agreement of the DoD Components involved) location reconciliation process may include the consideration of transactions processed by the ICP and the storage activity for 15 days prior to the reconciliation cutoff date. When DoD Component procedures require automatic depot submission of 15 days transaction history along with the DI DZH Location Reconciliation Request transaction(s), the DI DZK Transaction History Transmittal is used to submit the history data. DIC DZK transactions are prepared in the format in Appendix 28 and cite Type of Physical Inventory/Transaction History Code W in position 7.

(4) RECIPIENT'S PROCEDURES. Recipients of location reconciliation requests will match the requests to the accountable item records. All initial rejects/mismatches from the location reconciliation match should be researched immediately to assure consideration of all infloat documents. For intra-Service/Agency (or inter-Service/Agency based on agreement of the DoD Components involved) reconciliation, the ICP may request transaction history and/or custodial balances from the storage activity for analyzing discrepancies. The history/balance will be requested using a DI DZJ Transaction History/Custodial Balance Request citing the appropriate Type of Physical Inventory/Transaction History Code. When transaction history is requested, the transaction history time frame (start date and number of prior days history required) will be entered in positions 25-31. The storage activity will provide the transaction history data using the DI DZK Transaction History Transmittal. The transmission media will be determined from the Type of Media Code entered in position 60 of the DI DZJ request. The storage activity will provide custodial balances using the DI DKA Physical Inventory Count transaction; the Type of Physical Inventory/Transaction History Code Y or Z, perpetuated from the DI DZJ request, will identify the quantity entered as a custodial balance only.

(5) MISMATCHES. When record mismatches for other than controlled items are discovered during the location reconciliation program, adjustments may be processed to the accountable record under the following conditions:

(a) When the Service/Agency system includes quantity in the location reconciliation and the storage activity and ICP transaction history are compared for mismatches back to the last reconciliation or inventory, whichever is sooner, the accountable record may be adjusted without special inventory when the extended value of the variance is \$800 or less for Type 1 and Type 2 errors. If a history comparison is not made, automatic adjustments without special inventory will be limited to variances of \$100 or less (see par. 5 for processing adjustment reversals).

(b) When the Service/Agency system does not include quantity in the location reconciliation, the accountable record may be adjusted without special inventory when the extended value of the variance for Type 1 errors is \$100 or less. For Type 2 errors, a special inventory must be requested.

(6) Special inventories required after research should be done immediately.

(7) When a discrepancy is identified during the location reconciliation program, the following transactions, as appropriate, will be transmitted to the submitting activity:

(a) DI DZG Transaction Reject prepared in the Appendix 28 format.

(b) DI DZB Storage Item Data Correction prepared in the Appendix 28 format.

(c) DI DJA Request for Inventory (special) prepared in the Appendix 28 format.

(8) To measure the accuracy of the results of the location reconciliation program, discrepancies will be classified in one of the three categories listed below (report only one error per location reconciliation line item with discrepancies):

(a) Accountable record reflects balance for storage activity; no location reconciliation received. (Type 1 Location Audit Program Error.)

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(b) Location reconciliation received from storage activity; accountable record reflects no balance. (Type 2 Location Audit Program Error.)

(c) Mismatch on elements identified in par. 6a (l)(c) as applicable to location reconciliation. (Type 3 Location Audit Program Error.)

7. RETENTION OF ACCOUNTABLE DOCUMENTATION. Audit capability is required for a period of time following the processing of documents and data and completion of the research effort. The following retention criteria will apply:

a. Source documents will be retained for at least one year. These include only accountability change documents such as receipts, issues, shipments, transfers, and supply condition code changes.

b. Registers, records, files, tapes, and data will be retained for at least two years in a format useful for audit trail purposes. Automated inventory control systems will be designed to facilitate the printout of transaction histories which indicate the date the last physical inventory was conducted for each item.

c. Backup documentation that directly pertains to individual cases of physical inventory adjustment research efforts will be retained for at least one year.

8. QUALITY CONTROL.

a. DoD Components will establish a quality control program which encompasses the objectives of DoD Directive 4155.1, quality Program, and the physical inventory objectives as contained in DoDI 4140.35. Portions of the program can be done during ongoing practices within inventory processes. The purpose of the program is to help management identify those human, procedural, or system errors which adversely affect the wholesale asset accuracy and in achieving better control over physical assets and warehousing practices. Within the scope of this quality control program, those work processes directly related to the control of physical assets will be monitored to assure acceptable levels of performance. Accordingly, all quality control programs will ensure that the following work processes are included:

(1) Warehousing practices - to include checks of storage practices, stock rotation, shelf-life, identification of material in store, mixed stock, and location accuracy. Separate but identical quality checks will be made following any major rewarehousing projects.

(2) Receiving practices - to include checks of documentation, material identity, quantity, material supply condition code, processing timeliness and verification of daily input data to the location system.

(3) Issuing practices - to include checks of legibility of issue documents, accuracy of stock selection as to identity, quantity, unit of issue, shelf-life, supply condition code, type of pack (subsistence only), marking of outgoing shipments and release to carriers.

(4) Validity of automated data - to include checks of all receipts, issue, and adjustment transaction data entries against input documentation.

(5) Inventory practices - to include checks of all inventory counts, location surveys, location reconciliation, causative research, and adjustments at the ICP and storage activities.

(6) Catalog practices - to include checks of all catalog change processing, using the affected recorded locations as the universe.

(7) Locator file updates - to sample the accuracy of changes posted to the locator file (e.g., all additions, deletions, and changes of unit of issue, supply condition code, shelf-life, etc.) at least weekly.

b. Whenever possible, quality control checks of these work processes includes identification of the individual performing the tasks to provide a means to motivate improved individual performance.

c. Continued command management emphasis and review of performance are essential for success of the quality control program. Command managers must ensure effective organizational interrelationships among the functional elements concerned with the physical inventory control program such as: comptroller, data systems, transportation, warehousing, maintenance, quality control, and supply management. When quality control checks reveal that the level of accuracy for an operation does not meet a DoD prescribed accuracy goal, appropriate command corrective action will be directed.

9. INVENTORY CONTROL EFFECTIVENESS REPORT.

a. Each DoD Component will prepare Inventory Control Effectiveness Report for each quarterly period ending December 31, March 31, June 30, and September 30. Submit a separate report showing the values and performance statistics for ammunition, and omit these figures from the general report for DoD wholesale supply system material. Reports will:

(1) Be prepared in accordance with the instructions in par. 10. When goals are not achieved, the report will be accompanied by a narrative analysis of the trends and significant comments on physical inventory control performance reflected in the report to include major error causes and corrective action initiated.

(2) Reflect inventory control performance for all DoD wholesale supply system assets of principal and secondary items (including package fuels) less all material exclusions listed in DoDI 4140.35 (i.e., bulk petroleum, complete ships, aircraft, ballistic missiles, nuclear weapons and space vehicles; contractor-owned and/or -operated facilities for which the assets are not maintained on the DoD wholesale accountable record; Industrial Plant Equipment (IPE) reportable to the Defense Industrial Plant Equipment Center (DIPEC); and National Security Agency assets).

(3) Be submitted in an original and 1 copy to the Defense Logistics Standard Systems Office, Cameron Station, Alexandria, VA 22304-6100, not later than 75 days following the end of the reported quarter. The above reporting requirement has been assigned Report Control Symbol DD-MIL(Q)935.

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b. Source data used in the reporting of stock fund inventory transactions which are governed by separate instructions in accordance with DoD Directive 7420.1, Regulations Governing Stock Fund Operations, will also be used in preparing this report. Transaction data governed by DoD Instruction 7420.11, Chart of Accounts and Financial Reports for Department of Defense Stock Fund, will be used in preparing this report.

10. INSTRUCTIONS FOR PREPARING THE INVENTORY CONTROL EFFECTIVENESS REPORT. The following instructions are provided for preparing the Inventory Control Effectiveness Report, Report Control Symbol DD-MIL(Q)935:

a. REPORT HEADING/COLUMNS.

- (1) Reporting Organization. Enter the name of the reporting DoD Component.
- (2) Quarter Ending. Enter the date on which the quarterly report period ends. The columnar data will reflect performance during the quarterly period covered.
- (3) Fiscal Year to Date. Enter the last two digits of the fiscal year. The columnar entries will reflect cumulative data for the fiscal year through the end of the reporting period.

b. COLUMNAR ENTRIES.

- (1) MATERIAL DENIALS. Reflects the ratio of denials to line items being shipped.
 - (a) LINE ITEMS DIRECTED FOR SHIPMENT. Enter the total number of line items directed for shipment based on accountable record assets.
 - (b) MATERIAL DENIALS. Enter the number of total quantity and partial quantity denials received on line items directed for shipment. All denial transactions classified by MILSTRAP issue transaction denial Management Codes 1 through 7, excluding 4 for ammunition only, are included in the total.
 - (c) PERCENT OF MATERIAL DENIALS. Compute this figure by dividing the material denials by the line items directed for shipment and multiplying by 100 (par. (1)(b) -- (1)(a) x 100). The DoD performance goal for the material release denial rate is 1 percent.
- (2) RECEIPT PROCESSING PERFORMANCE. Reflects the ratio of total line item receipts to those which are posted to the accountable records and effectively stored within the MILSTRAP time standards.
 - (a) NUMBER OF RECEIPTS POSTED AND STORED. Enter the total number of line item receipts posted and stored during the period.
 - (b) NUMBER OF RECEIPTS POSTED AND STORED ON TIME. Enter the total number of line item receipts which were posted to the accountable records and effectively stored within the MILSTRAP time frames. (Effective storage occurs on the date when proof of storage is recorded or issue from the receiving line is done.)
 - (c) PERCENT OF RECEIPTS POSTED AND STORED ON TIME. Compute this figure by dividing the total number of receipts posed and stored on time by the total number of receipts and multiplying by 100 (par. (2)(b) -- (2)(a) x 100). This DoD performance goal for posting and storing receipts on time is 90 percent.

(3) LOCATION AUDIT PROGRAM. Reflects the results of the location survey (ratio of accurate storage activity locator records to storage activity locations surveyed) and the location reconciliation (ratio of valid storage activity locations to master item records).

(a) NUMBER OF LOCATIONS SURVEYED. Enter the number of storage activity item locations surveyed.

(b) NUMBER OF SURVEYED LOCATIONS WITH DISCREPANCIES. Enter the total number of location discrepancies as defined in pars. 6a and 6b(7) (report only one error per NSN per location).

(c) LOCATION SURVEY ACCURACY. Compute this figure by dividing the total locations with discrepancies by the total locations surveyed, multiplying by 100 and subtracting the result from 100 percent ($100 - (\text{par. (3)(b)} \div \text{(3)(a)} \times 100)$). The DoD goal for location survey accuracy is 97 percent.

(d) NUMBER OF LOCATION RECORDS RECONCILED. Enter the total number of valid location records reconciled (i.e., the sum of NSNs on the accountable record and NSNs which were not on the accountable record but were on the depots' records).

(e) NUMBER OF LOCATION RECONCILIATION LINE ITEMS WITH DISCREPANCIES. Enter the number of discrepant location records as defined in pars. 6a and 6c(8) (count one error per location reconciliation request or unmatched accountable record).

(f) LOCATION RECONCILIATION ACCURACY. Compute this figure by dividing the number of discrepancies by the number of records reconciled, multiplying by 100, and subtracting the result from 100 percent ($100 - (\text{par. (3)(e)} \div \text{(3)(d)} \times 100)$). The DoD goal for location reconciliation accuracy is 97 percent.

(4) PHYSICAL INVENTORY PROGRAM LINE ITEMS. Reflects the accuracy of the physical inventory program.

(a) TOTAL INVENTORIES COMPLETED. Enter the total number of line items inventoried (scheduled and unscheduled). For sample inventories, include only those line items in the lot which are actually counted.

(b) LINE ITEMS WITH MAJOR INVENTORY VARIANCES. Enter the total line items inventoried (scheduled and unscheduled) which had a major inventory variance.

(c) INVENTORY ACCURACY RATE. Reflects the percent of lines inventoried which did not have a major inventory variance. Compute this figure by dividing the lines with a major inventory variance by the total lines inventoried, multiplying by 100, and subtracting from 100 percent ($100 - (\text{par. (4)(b)} \div \text{(4)(a)} \times 100)$).

(5) MONETARY VALUE OF PHYSICAL INVENTORY PROGRAM. Reflects the monetary value of items being inventoried.

(a) AVERAGE VALUE OF THE INVENTORY. Enter the average value of onhand assets as reflected on financial records for the 12 months prior to the report cutoff date (i.e., current quarter plus past three quarters).

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(b) VALUE OF LINE ITEMS INVENTORIED. Enter the extended value of line items inventoried (scheduled and unscheduled) during reporting period (extended value of items shown in par. 10b(4)(a) above).

(c) VALUE OF INVENTORY ADJUSTMENTS.

11. VALUE OF INVENTORY GAINS. Enter the total monetary value of increases to accountable stock record balances as a result of physical inventory. Compute the quarter Ending value of inventory gains by netting the current reporting period values for inventory gain adjustments and for inventory gain adjustments reversed within 365 days of the original adjustment transaction (reversal of adjustments aged over 365 days is not permitted). Compute the FY to Date value of gains by adding the Quarter Ending value of inventory gains (computed above) to the prior quarter FY to Date value of inventory gains. (In the first report of each Fiscal Year, the prior quarter FY to Date value will always be zero.)

12. VALUE OF INVENTORY LOSSES. Enter the total monetary value of decreases to accountable stock record balances as a result of physical inventory. (Compute the quarter Ending value of inventory losses by netting the current reporting period values for inventory loss adjustments and for inventory loss adjustments reversed within 365 days of the original adjustment transaction (reversal of adjustments aged over 365 days is not permitted). Compute the FY to Date value of losses by adding the quarter Ending value of inventory losses computed above) to the prior quarter FY to Date value of inventory losses. (In the first report of each Fiscal Year, the prior quarter FY to Date value will always be zero.)

13. VALUE OF GROSS INVENTORY ADJUSTMENTS. Determine the arithmetic sum of the monetary value of increases and decreases to accountable stock record balances as a result of physical inventory. Compute the Quarter Ending value of gross adjustments by adding the absolute values of the quarter Ending inventory gains and losses (pars. (5)(c)1 and 2 above). Compute the FY to Date value of gross adjustments by adding the quarter Ending value of gross adjustments (computed above) to the prior quarter FY to Date value of gross adjustments. (In the first report of each FY, the prior quarter FY to Date value is always zero.)

14. VALUE OF INVENTORY GAIN REVERSALS.

a. REVERSAL OF CURRENT QUARTER GAINS. Enter the total monetary value of decreases to the accountable stock record balances as a result of reversing gain adjustments processing during the reporting period.

b. REVERSAL OF PRIOR QUARTERS' GAINS. Enter the total monetary value of decreases to the accountable stock record balances as a result of reversing gain adjustments reported in prior quarters.

15. VALUE OF INVENTORY LOSS REVERSALS.

a. REVERSAL OF CURRENT QUARTER LOSSES. Enter the total monetary value of increases to the accountable stock record balances as a result of reversing loss adjustments processed during the reporting period.

b. REVERSAL OF PRIOR QUARTERS' LOSSES. Enter the total monetary value of increases to the accountable stock record balances as a result of reversing loss adjustments reported in prior quarters.

16. AVERAGE VALUE OF THE INVENTORY. Compute this figure by dividing the value of the gross adjustments by the average value of the inventory and multiplying by 100 (par. (5)(c)3÷(5)(a) x 100).

17. VALUE OF LINE ITEMS INVENTORIED. Compute this figure by dividing the value of the gross adjustments by the value of line items inventoried and multiplying by 100 (par. (5)(c)3÷(5)(b) x 100).

18. CONTROLLED INVENTORY ITEMS. The following is a list of controlled inventory items which require a high degree of protection and physical inventory control. The DoD Components are expected to include additional items that are determined to require a similar degree of control:

- a. Classified items.
- b. Pilferable items.
- c. Sensitive items:
 - (1) Narcotics and drug abuse items.
 - (2) Precious metals.
 - (3) Hazardous items.
 - (4) Arms:
 - (a) Handguns.
 - (b) Shoulder fired weapons.
 - (c) Light automatic weapons up to and including .50 caliber machine guns.
 - (d) Recoilless rifles up to and including IO6mm.
 - (e) Mortars up to and including 81mm.
 - (f) Rocket launchers, manportable (see (h) below).
 - (g) Grenade launchers, rifle and shoulder fired.
 - (h) Individual operated weapons which are portable and/or can be fired without special mounts or firing devices and which have potential use in civil disturbances and are vulnerable to theft.
 - (5) Ammunition:
 - (a) Ammunition for weapons listed above.
 - (b) Bulk explosives.
 - (c) Antitank and antipersonnel land mines.

- (d) Hand grenades.
- (e) Demolition charges and related items; e.g., blasting caps, detonating cord, safety fuses, detonators, destructors, primers, firing devices, squibbs, igniters, demolition kits, explosive kits, etc.
- (f) Fuses.
- (g) Boosters
- (h) Supplementary charges (not assembled to end items).
- (i) Explosive bolts, explosive cartridges and related items.
- (j) Safety and arming devices.
- (k) Incendiary destroyers.
- (l) Fuel thickening compound.
- (m) Riot control agent, bulk, 60 pound package or less.
- (n) Warheads and rocket motors (unpackaged weight of 60 pounds or less).
- (o) Missiles and rockets (unpackaged weight of 60 pounds or less).
- (p) End items of conventional and guided missile ammunition (except artillery rounds, bombs and torpedos) which have an individual item (i.e., unit of issue) container or package weight of 60 pounds or less and which have potential use in civil disturbances and are vulnerable to theft.

19. DEFINITIONS FOR PHYSICAL INVENTORY CONTROL. For the purpose of physical inventory control, the following terms and definitions apply:

a. ADJUSTMENTS, PHYSICAL INVENTORY. The accounting transaction which corrects a book balance to agree with the quantity of the item in storage. Such adjustments may result from (1) physical inventory, (2) a potential discrepancy revealed by a material release denial or location survey/reconciliation and (3) erroneous capitalization/decapitalization actions. Excluded are adjustment transactions caused by (1) reidentification of stock, (2) type of pack changes, (3) standard price changes, (4) catalog data changes, (5) supply condition and purpose code changes and (6) condemnation of material resulting from rebuild and surveillance programs. Adjustment transactions directly attributed to computer malfunctions, program errors and correction of computer system time lags will not be categorized as adjustments due to physical inventory. All such adjustment transactions identified during research will be assigned the appropriate error classification code and the rate of occurrence will be monitored by supply system managers.

b. CONTROLLED INVENTORY ITEMS. Those items designated as having characteristics which require that they be identified, accounted for, secured, segregated or handled in a special manner to ensure their safeguard or integrity. Controlled inventory items in descending order of degree of control normally exercised are:

(1) CLASSIFIED ITEMS. Material which requires protection in the interest of national security.

(2) SENSITIVE ITEMS. Material which requires a high degree of protection and control due to statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items which are of a high value, highly technical or hazardous nature; and small arms, ammunition, explosives and demolition material.

(3) PILFERABLE ITEMS. Material having a ready resale value or application as to personal possession and which is, therefore, especially subject to theft.

c. DISCREPANCY WITH MANDATORY RESEARCH REQUIREMENT. Potential or actual physical inventory adjustment which exceeds established dollar value limits or which is applicable to a controlled inventory item.

d. INVENTORY LOT/SEGMENT. A subgrouping of the total items in storage for the purpose of physical inventory counting or location audit. The lot/segment is generally by Federal Supply Class, warehousing, picking station, or some form of commodity grouping.

e. INVENTORY, SCHEDULED. A physical inventory which is to be conducted on a group of items within a specified period of time according to an established plan. There are two types of scheduled inventories, complete and sample.

(1) INVENTORY, COMPLETE. An inventory of all conditions of all stock numbers within specified categories.

(2) INVENTORY, SAMPLE. A sample of items selected from an inventory lot in such a manner that each item in the lot has an equal opportunity of being included in the sample.

f. INVENTORY, UNSCHEDULED. A physical inventory which is to be conducted on a specific item as a result of some unscheduled inventory requirement such as an inventory manager or locally initiated request, material release denial, location survey or location reconciliation request, etc. There are two types of unscheduled inventories, special and spot.

(1) INVENTORY, SPECIAL. An unscheduled physical inventory of a specific item(s) as a result of a special requirement generated by the location audit program, preprocurement, or any other reason deemed appropriate by the item manager, Accountable Property Officer (APO) or the APO designated representative, or the storage activity.

(2) INVENTORY, SPOT. An unscheduled physical inventory required to be done as a result of a total or partial material denial.

g. LOCATION AUDIT PROGRAM. The location audit program consists of actions required to ensure compatibility between the assets in storage and the locator records and between the locator records and the accountable records. Location audit programs may include quantity. This program is done in two phases:

(1) LOCATION SURVEY. A physical verification, other than actual count, between actual assets and recorded location data to ensure that all assets are properly recorded as to location, identity, condition and unit of issue.

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(2) LOCATION RECONCILIATION. A match between valid storage activity records and the accountable records, in order to identify and correct situations where items are in physical storage but not on record, on record but not in storage, or where common elements of data (may include quantity) do not match. Research of mismatches, including special inventories when required, results in corrective action.

h. MAJOR INVENTORY VARIANCE. When the total dollar value of the item overage or shortage for the stock number exceeds \$800.

i. MATERIAL DENIAL. A notification from a distribution activity advising the originator of an A5_ Material Release Order (excluding A5J Disposal Release Orders) or of an A4_ Referral Order of failure to ship all or part of the quantity originally directed for shipment.

j. PHYSICAL INVENTORY CUTOFF DATE (PICD). A date established for striking the accountable record balance. This date serves as the reference point for considering the relationship between preinventory/postinventory transactions and the physical count quantity to determine if the count is in agreement with the inventory record balance.

k. PHYSICAL INVENTORY INFLOAT CONTROL DATE (PIICD). A date for initiating controls on all in-process transactions and materials which could affect inventory outcome.

l. POSTPOST TRANSACTION. The posting of a transaction to add to or subtract from the accountable stock record balance after physical issue or storage of a stocked item.

m. POSTINVENTORY TRANSACTION. Transactions that increase or decrease the accountable stock record balance, dated after the established physical inventory cutoff date.

n. PREINVENTORY TRANSACTION. Any transaction, causing an increase or decrease to the accountable stock record balance, dated prior to the established physical inventory cutoff date.

o. PREINVENTORY PLANNING. Preinventory planning is conducted prior to the physical inventory cutoff date to reduce the potential for inventory inaccuracies through:

(1) Actions to ensure location integrity by resolving such situations as unbinned/loose material; questionable identity of material in location; and multiple conditions, shelf-life (including date of pack/date of expiration) and/or material lots stored in a single location.

(2) Document cleanup to ensure to the extent possible that adjustments and transaction reversals are posted to the record, in process receipts are stored in location and related transactions are transmitted to the Inventory Control Point (ICP) prior to the established physical inventory cutoff date.

p. PREPOST TRANSACTION. The posting of a transaction to add to or subtract from the accountable stock record prior to physical issue or storage of a stocked item.

q. RECONCILIATION, PHYSICAL INVENTORY. To obtain agreement between the physical count and record balance by attempting to account for all transactions representing infloat documents.

r. RESEARCH. An investigation of potential or actual discrepancies between physical count and recorded balances. The purposes of research is to determine the correct balance and determine the cause of discrepancies. There are three types of research:

(1) POSTCOUNT VALIDATION. A comparison of physical count with potential recorded balances or another count, with consideration of transactions that have occurred recently. The purpose of postcount validation is to determine the validity of the count. Postcount validation research ends when the accuracy of the count has been verified or when any necessary recounts have been taken or the discrepancy is \$800 or less.

(2) PREADJUSTMENT RESEARCH. An investigation of potential discrepancies which involves the consideration of recent transactions, unposted or rejected documentation, search of temporary location areas and verification of catalog data. The purpose of preadjustment research is to determine the correct balance. Preadjustment research ends when the balance has been verified or the adjustment quantity determined.

(3) CAUSATIVE RESEARCH. An investigation of discrepancies (i.e., gains and losses) consisting of (as a minimum) a complete review of all transactions to include supporting documentation, catalog change actions, shipment discrepancies and unposted or rejected documentation occurring since the last completed inventory, the last location reconciliation which included quantity, or back one year, whichever is sooner. The purpose of causative research is to identify, analyze and evaluate the cause of inventory discrepancies with the aim of eliminating repetitive errors. Causative research ends when the cause of the discrepancy has been discovered or when, after review of the transaction, no conclusive findings are possible.

DECISION RULES MINIMUM RESEARCH REQUIREMENTS FOR POTENTIAL OR ACTUAL PHYSICAL INVENTORY ADJUSTMENTS

CONDITION OF DISCREPANCY	Value between \$.01 through \$800.00	Value between \$800.01 through \$16,000.00	Value greater than \$16,000.00	Controlled inventory item
Research Action Required Before Adjustment:				
Postcount Validation	Yes	Yes	Yes	Yes
Preadjustments research (adjustment quantity determined).	Yes*	Yes	Yes	Yes
Causative Research Required				
Sample Causative research	No	Yes	No	No
100 percent causative research	No	No	Yes	Yes**

Figure 6-2

* Research is not required for those adjustment actions resulting from a denial.

** Sample causative research in lieu of complete causative research for pilferable item discrepancies valued up to \$2,500.00 may be done at the discretion of DoD Components.

PART F: SMALL ARMS SERIAL NUMBER REGISTRATION AND REPORTING

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1. GENERAL. This part provides procedures for reporting small arms serial number data between Department of Defense (DoD) Components and the DoD Registry.

a. In addition to requirements contained in DoD 4000.25-1-M Military Standard Requisitioning and Issue Procedures (MILSTRIP), the shipping activity will provide a listing of the weapon serial numbers contained in each shipment with the shipment documentation accompanying small arms shipments between DoD Components. When shipments consist of multiple containers, the listing will identify which serial numbers are within each of the containers.

b. WHAT TO REPORT. Small arms, including those mounted on aircraft, vehicles and vessels, that are accounted for in unclassified property records, will be reported (included will be foreign and commercial weapons, and museum pieces with serial numbers).

c. UNTRACEABLE SMALL ARMS. Small arms without a National Stock Number (NSN) and/or small arms serial number (except museum pieces) with missing, obliterated, mutilated or illegible serial numbers, when discovered, will be reported to the DoD Registry by the Component Registry, for review and assignment of a management Control Number (MCN)/NSN. Assignment of Local Control Number (LCN) or MCN will not replace or be used in lieu of procedures to request assignment of an NSN where applicable. The Component Registry will report all small arms without NSN and/or small arms serial number, by message or letter for assignment of serial number and/or NSN in the following format:

NSN	Serial Number	Description
NSN or none)	(SN or none)	(Make, model, caliber and other nomenclature data)

d. Local/Management Control Numbers will be used by the DoD Components for all weapon identification until a valid NSN can be obtained from the DoD registry in accordance with par. 1c, above, or notification that MCN/LCN will not be assigned an NSN.

e. LOST, ABANDONED, OR UNCLAIMED. Lost, abandoned or unclaimed privately owned small arms that are processed through a Board of Officers for actions described in Chapter VI, DoD 4160.21-M, Defense Utilization and Disposal Manual.(DUDM), and subsequently, turned in to a Defense Reutilization and Marketing Office (DRMO), will be registered immediately when they come under Government control.

f. UNFUNDED AND PRIVATELY OWNED. Nonappropriated funded small arms turned in to a DRMO and privately owned weapons classified as claims property will be registered immediately when they come under the control of DoD. Small arms that are claimed (Private property whose title has passed to DoD as a result of being confiscated by appropriate authority, usually as a result of being abandoned and/or unauthorized for personal possession) by DoD activities will be reported immediately to Component Registries.

g. MODIFIED FOR TRAINING USE. The DoD Components will take action to obtain a new NSN (or currently assigned NSN) from the DoD Registry for modified weapons rendered inoperable, that are used for ceremonial of training purposes. These weapons will be retained on the Component Registries as a weapon subject to the reporting criteria.

h. SUSPENSION OF REPORTING REQUIREMENTS. In the event of mobilization of other emergency, the DoD Registry and the Component Registries will continue to operate and be maintained, Transaction Code J (Suspension of Reporting Requirements) may be used in emergency situations as authorized by the individual Services.

2. SCOPE. Part F provisions apply to the Military Departments and Defense Agencies (referred to as "DoD Components") responsible for inventory management of small arms.

3. OBJECTIVES.

a. Establish continuous visibility over all small arms by serial number from the contractor to depot; in storage; in transit to requisitioners; in post, camp, and station custody; in the hands of users; during turn-ins; in renovation; and during disposal/demilitarization.

b. Interface the small arms serial number reporting between the DoD Components using standard procedures.

c. Provide follow-up procedures for delinquent shipment/receipt transactions.

d. Provide reconciliation procedures.

e. Provide law enforcement agencies, within 72 hours, the identification of the last known accountable activity having a specific serial numbered small arm.

4. EXCLUSIONS.

a. Small arms purchased with nonappropriated funds and privately owned weapons are exempt from being reported to the DoD Central Registry since these weapons are controlled by civil authorities under the Gun Control Act of 1968. (This does not include weapons turned in for disposal, see pars. 1e and 1f above).

b. Classified activities, which determine that specific small arms should not be registered under these procedures, should request guidance from the appropriate DoD Component.

c. Deviations from MILSTRAP requirements by DoD activities with small static inventories require concurrence of the Joint Small Arms Coordinating Group (JSACG) and approval of the DoD MILSTRAP System Administrator. Requests for deviations to include appropriate justification will be submitted to the Defense Logistics Standard Systems Office, ATTN: DLSSO-BT, Cameron Station, Alexandria, VA 22304-6100.

5. DELINEATION OF RESPONSIBILITIES.

a. DoD Registry will

(1) Be operated and maintained by the Department of the Army.

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(2) Provide a central repository of small arms serial numbers from the Component Registries, to include those which are on hand, in transit, and have been lost, stolen, demilitarized, or shipped outside the control of DoD.

(3) Provide law enforcement agencies, within 72 hours, the identification of the last known accountable activity (to include telephone number) having a specific serial numbered small arm (see par. 7f). Other inquiries, depending on volume and existing workload, will be responded to as expeditiously as possible.

(4) Enter all inquiries from law enforcement agencies and inquiries from appropriate military and civilian activities for weapons located in foreign countries on the DoD Registry file when no record exists on the active or inactive file. This will be done by using the DI DSM and entering the message/inquiry form number in the document number field for cross reference purposes. These entries will remain on the DoD active master file until the weapon is returned to DoD control and properly recorded on a Component Registry for weapons identified as belonging to a DoD Component. Weapons identified as other than DoD origin will be placed in the inactive file of the DoD Registry.

(5) Identify duplicate serial numbers on tapes received from the Component Registries, as a minimum, on a quarterly basis. The appropriate Services/DLA will be contacted to verify duplicates and the DoD Registry will issue selected suffixes to modify affected serial number(s) for all but one of the duplicate numbers. Weapons with duplicate serial numbers located in the wholesale system will be modified first, to the extent possible. In order to maintain an audit trail for all modification actions:

(a) Appropriate corrective instructions will be provided to Component Registries who reported duplicate serial numbers.

(b) Complete historical cross reference record (mechanical or hard copy) will be established.

b. Component Registries will:

(1) Maintain and control a mechanized active, and inactive, history file to control small arms serial numbers for which they maintain or had maintained accountability.

(2) Update files based on transaction reporting; e.g., receipts, issues, turn-ins, and inter-service transfers. Suffix codes will be perpetuated from all receipt/issue/adjustment transactions when updating files.

(3) Use standard data elements prescribed in NAVSUP P-485 Volume II Appendix 10 and transactions shown in Appendix 28 to interface between Component Registries for reporting changes affecting the small arms status in the master file of the Component Registries.

(4) Monthly, mail a magnetic tape to the DoD Registry reflecting active and inactive files in serial number sequence. The address is; Commander, U.S. Army Armament Munitions and Chemical Command, ATTN: AMSMCMMD-LW, Rock Island, IL 61299-6000.

(5) Identify duplicate serial numbers recorded on file and request altering instructions from the DoD Registry for all but one of the duplicate numbers. Suspend movement of these weapons pending verification of the record and/or instructions for modification of the serial number on the weapons.

(6) Provide data available upon receipt of an inquiry from a law enforcement agency, and initiate action as deemed appropriate.

(7) Perform an annual records verification using the registry files to obtain records compatibility with depot custodial files and Inventory Control Point (ICP) accountable files by stock number and quantity.

(8) Report weapons lost, damaged or destroyed in accordance with DoD 7200.10-M, Department of Defense Accounting and Reporting of Government Property Lost, Damaged or Destroyed. Small Arms Transaction Code Q is applicable for reporting potential lost or stolen small arms, pending full investigation/report of survey. Transaction Code U is applicable for reporting if the missing weapon is found or recovered. The Weapon Serial Number (WSN) Control transaction, DI DSM, prepared in the format prescribed in Appendix 28, will be used for updating the registries.

(9) Identify on the Component Registry, with Small Arms Transaction Code L, weapons determined to be lost or stolen after all investigative requirements have been initiated, including a report of survey. The DI DSM transaction prepared in the Appendix 28 format, will be used. (Note: DoD Components are required to submit semiannual reports to the chair, Physical Security Review Board in accordance with DoD Directive 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives for all weapons where theft, loss, and recovery occur.)

(10) Perform an annual reconciliation with all activities recorded on the registry as having possession and/or accountability of reported small arms by serial number, stock number, and quantity. The method of performing the reconciliation will depend on the components' capability of using transactions, tapes or listings. When tapes or listings are used to perform the annual reconciliation, they will be identified by the appropriate transaction DI either as header information or reflected with each line entry.

(11) Report to the Chairman of the JSACG all new weapons or devices that could be construed as a weapon. The Chairman identifies the reportability and notifies the services. Weapons or devices where no determination can be made is discussed by the full JSACG.

c. JSACG. The JSACG responsibilities are as set forth in DoD instruction 4140.52, subject: Department of Defense Small Arms Serialization Program. The mailing address for the JSACG is: Commander, U.S. Army Logistics Evaluation Agency, ATTN: DALO-LEZ-L, New Cumberland Army Depot, New Cumberland, PA 17070-5010.

d. The MILSTRAP System Administrator's responsibilities are set forth in DoD 4000.25-2-M, and DoD Instruction 4140.52.

6. SAFEGUARDING AND PHYSICAL SECURITY OF ADP RECORDED DATA.

a. GENERAL. The small arms data contained in the ADP records of the DoD Registry could produce classified data if the total number of serial numbers by weapon type were summarized. Consideration should be given to security of the small arms records due to their sensitive nature. Security of ADP records will be in accordance with DoD 5200.1-R, DoD Information Security Program Regulation.

b. A determination to classify shall be made when there is sound reason to believe that knowledge of the information would provide a foreign national with an insight into the war potential, war defense plans, or posture of the United States and could reasonably be expected to cause a degree of harm to the national security.

c. The operation of this program does not relieve units/activities from the requirements for physical security of weapons in accordance with DoD Component regulations.

7. OPERATING PROCEDURES.

a. TAPE RECORDS. The Component Registries will forward a tape record of their active and inactive files, in serial number sequence, will be forwarded to arrive at the DoD Registry not later than the 10th of each month. The tape record format will be in DI DSM format. The DoD Registry will verify record counts as indicated on the tape.

b. MAINTAINING RECORDS. The DoD Registry will combine the Components' tapes into a single file, in serial number sequence, not later than the 15th day of each month. The DoD Registry will identify duplicate serial numbers, as a minimum quarterly, in accordance with par. 5a(5).

(1) If the duplicate serial numbers appear during the next check, and are owned by a single service, the Component Registry will be notified to validate the serial numbers. If duplicate serial numbers remain after this validation, the Component Registry will take action to request altering instructions from the DoD Registry to modify affected serial numbers. The DoD Registry will issue modified serial numbers (using selected alpha suffix(es) and maintain a complete historical cross-reference record.

(2) If the duplicate serial numbers appear during the next check, and are owned by more than one DoD Component, the DoD Registry will notify each Component Registry to validate its serial numbers. If duplicates remain after this validation process, the DoD Registry will issue modified serial numbers to one of the Component Registries (using selected alpha suffix(es) and maintain a complete historical cross-reference record.

c. Weapons recovered by law enforcement agencies or foreign countries and returned to the custody of a DoD Component will be registered on the Component Registry using Small Arms Transaction Code U and DI DSM.

d. WSN control transactions, DI DSM, are used to report inter-Service/Agency transfers between the Component Registries. The data flow for reporting shipments will be as indicated below.

(1) SHIPMENTS BETWEEN DOD COMPONENTS.

(a) SHIPPING ACTIVITY. When small arms are selected for shipment by the shipping activity, the WSN transaction data for the weapons will be provided to the shipping Component Registry using a DI DSM transaction prepared in the Appendix 28 format. The shipping Component Registry enters the small arms data in the active file to indicate the intransit shipment. The shipping Component Registry then forwards the WSN transaction to the destination Component Registry for all inter-Service/Agency shipments.

(b) COMPONENT REGISTRY. The destination Component Registry enters the small arms data into the active file to open the record. This record is maintained until confirmation of receipt of the weapon is provided by the receiving activity. The receiving activity verifies the serial number(s) and provides the WSN transaction to their Component Registry. The receiving Component Registry matches the small arms data against the intransit record. A match constitutes a reconciliation and completes the record. Discrepant serial number(s) will be verified by telephone or letter and corrective action taken as required. The receiving Component Registry provides the DSM transaction with transaction code R to the shipping Component Registry.

(c) Weapon shipments from one DoD Component to another for maintenance purposes will also be reported to appropriate Component Registries. This requirement will be included in any maintenance support agreement.

(d) If 30 calendar days from date of shipment for CONUS and 90 calendar days for overseas is exceeded, coordination will be initiated by the shipping Component Registry to determine the status of the outstanding S transaction(s). A monthly overage shipment listing will also be provided to the receiving Component Registry.

(2) SHIPMENTS FROM PROCUREMENT. When small arms are shipped from a contractor to activities within the DoD, the contractor is required to prepare three WSN control transactions. Transaction Code P will be in the one transaction provided to the shipping Component Registry giving notification of shipment. The data is entered in the shipping Component Registry to open the record. This record will be maintained in suspense until confirmation of receipt of the weapon is provided by the receiving activity. The receiving activity will submit the DSM transaction to update their Component Registry. The two remaining WSN transactions will have the RIC of the shipping Component Registry to which the confirmation of receipt will be provided. The WSN transactions will accompany the shipment documentation. When shipments consist of multiple containers, a listing will identify which serial numbers are within each of the containers.

(3) SHIPMENTS TO FOREIGN MILITARY SALES/GRANT AIDS AND OTHER AGENCIES OUTSIDE THE CONTROL OF DOD. When small arms are selected for shipment by the shipping activity, the WSN transaction for the weapons will be provided to the shipping Component Registry giving notification of shipment. The shipping Component Registry codes each weapon in the shipment, using Transaction Code N (Shipment to Other Agencies) or F (Shipment to Foreign Military Sales/Grant Aid) depending on type of transaction. The shipping Component Registry then enters the small arms shipment data into the inactive file. Weapons returned to the DoD supply system from previous shipments to Foreign Military Sales/Grant Aid and other agencies outside the control of DoD will be registered by the receiving activity on their Component Registry.

e. DEMILITARIZATION. When small arms are selected for destruction at the demilitarization activity, the small arms data, DI DSM transaction prepared in the format shown in Appendix 28 is provided to the Component Registry once the demilitarization has been completed. The Component Registry codes each of the weapons demilitarized using the Transaction Code V. The Component Registry then enters the small arms demilitarization data into the inactive file.

f. SERIAL NUMBERS. The DoD Small Arms Serialization Program is designed to provide investigative agencies with the identification of the last accountable activity having a specific serial numbered small arms within 72 hours. Investigative agencies will process all inquiries by message, letter or telephone to the DoD Registry. The DoD Registry will identify the accountable Component Registry from the data contained in its master record and query that registry as to the last activity accountable for the specific serial numbered weapon. Once the Component Registry identifies the last accountable activity, response is provided to the investigative agency through the DoD Registry.

g. INVALID OR ERRONEOUS TRANSACTIONS. Invalid or erroneous transactions, except DI DSA, are rejected by the Component Registry to the originator of the transaction using DI DSR transactions prepared in the format in Appendix 28. Reject codes and corrective action required are contained in NAVSUP P-485 Volume II Appendix 10. Since the Reject Advice Code identifies only one error condition in the transaction, activities review all other fields of the rejected transactions, prior to resubmitting, to ensure all entries are correct.

(1) Rejected transactions will be held in a suspense file by the Component Registry until corrective action has been received from the DoD Component. DI DSC transactions, prepared in the Appendix 28 format, will be used to respond to rejected transactions.

(2) If no corrective action is received by the Component Registry within 14 calendar days, a DI DSF follow-up transaction, prepared in Appendix 28 format, is sent to the DoD Component.

h. ANNUAL RECONCILIATION. The annual reconciliation of all arms on the Component Registry will be performed using DI DSR transaction, prepared in the Appendix 28 format, and Transaction Code E. Matching records will be considered reconciled. Duplicate small arms serial numbers detected during the reconciliation will require modification instructions from the DoD Registry. Component Registries that perform the annual reconciliation using other than transaction reporting will ensure that listings contain DSR in the heading. Transaction Code E need not be identified on the listing or posted to the Component Registry.

(1) Records not matched, or for small arms for which no reconciliation was received by the Component Registry, will result in a reject, DI DSR, to the DoD Component. The appropriate reject codes are contained in NAVSUP P-485 Volume II Appendix 10.

(2) In the event corrective transactions and/or notification of a problem is not received from the DoD Component within 60 calendar days, the Component Registry will follow-up using DI DSF transaction.

i. Mass Stock Number Changes will be done using the DI DSB transaction prepared in the Appendix 28 format.

j. The Small Arms Multi-Field Corrections Transaction DI DSA, is used by reporting activities to change errors on the Component Registry active/inactive file. The Component Registry will reject DSA transactions that don't match the file or contain invalid data.

(1) Reporting activities will prepare the DSA transaction, in the Appendix 28 format, when the Component Registry contains erroneous information. Changes can be made to the NSN, MCN, LCN; DoDAAC/UIC of the accountable activity; and serial number. When using the DSA transaction to correct erroneous entries recorded on the Component Registry, data previously reported, as applicable to card columns 8 through 41, shall remain the same. Transaction Code K will be entered in card column 7 of the DSA transaction.

(2) DSA transactions received by the Component Registry that do not match the NSN, MCN, and LCN; reporting activity DoDAAC/UIC; or serial number contained on the active/inactive file will be rejected to the reporting activity. The rejected transaction will contain the appropriate error transaction reject code in position 76-77 and the date rejected in positions 78-80. Rejected transactions will be suspended in the Component Registry pending receipt of a corrected DI DSA transaction. Since only one reject code can be reflected in the rejected transaction, the reporting activity must review all entries for additional invalid data before resubmitting the corrected transaction.

(3) Component Registries will not include the DSA transaction on their overlay tape to the DoD Registry. The Component Registry will convert the DSA received from the reporting activity to DI DSM with Transaction Code K in position 7 and the old serial number in the document field (position 30-43) for all changes to the serial number field for the monthly overlay tape.

8. TIME STANDARD FOR PROCESSING UPDATES AND FOLLOW-UPS FOR SHIPMENTS AND RECEIPTS.

a. GENERAL. One objective of the small arms serial number registration and reporting procedures is to provide visibility of actual location of all weapons by the timely update of the Component Registries during the shipment or receipt process. The timeframe requirements for processing the DI DSM, WSN Control, for Small Arms Transaction Codes R and S are established for normal process time of 10 calendar days from date of action.

(1) Within 10 calendar days of selection for shipment, the shipping activity will enter the WSN transaction data on the shipping Component Registry to indicate which serial numbers are included in the intransit shipment. Activities that do not have mechanized capability will provide the WSN transaction or hard copy information to the shipping Component Registry by the fastest means available, leaving the shipping activity within 10 calendar days of selection for shipment.

(2) Within 10 calendar days of receipt of the WSN from the shipping activity, the shipping Component Registry will use the WSN transaction with Transaction Code S to update their files, establish the intransit record, and forward the WSN transaction to the receiving Component Registry for all interService Agency shipments.

(3) Within 10 calendar days of receipt of the small arms, the receiving activity will use the WSN transaction data that accompanied the shipment to verify the serial number(s) received and provide the WSN data with Transaction Code R to the recipient Component Registry. Activities that do not have mechanized capability will provide the WSN transaction or hard copy information to the receiving Component Registry by the fastest means available.

(4) Within 10 calendar days of receipt from the receiving activity, the receiving Component Registry will forward a WSN transaction using Transaction Code R to the shipping Component Registry providing notification of receipt of weapons. The 10 calendar days requirement for notification of receipt of weapons. The 10 calendar days requirement for notification of shipments/receipts also applies to weapon shipments from one DoD Component to another for maintenance purposes. This requirement will be included in any maintenance support agreements between the DoD Components.

(5) The shipping Component Registry will take follow-up action for all weapons intransit 30 calendar days for CONUS shipments and 90 calendar days for overseas shipments, from date of shipment, for which no confirmation of receipt (DI DSM with Transaction Code R) has been received. DI DSD Small Arms Receipt/Issue Follow-up prepared in the Appendix 28 format will be transmitted to the receiving Component Registry. The Transaction Date (positions 76-80) will be the two-digit year and three-digit Julian date the weapon(s) was shipped. Allow 10 calendar days for response to the follow-up transaction.

(a) If weapon has been received, the receiving Component Registry will submit a DI DSM with Transaction Code R (position 7) and date received (76-80).

(b) If weapon isn't received, the receiving Component Registry submits a DI DSM with Transaction Code A (position 7) and Transaction Date (positions 76-80) is left blank.

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(c) If no response is received, an electrical transmission (message) will be sent to the receiving Component Registry with an information copy to the receiving activity and its higher headquarters.

(d) Negative response or no response to the message will result in the shipping Component Registry reporting the weapon(s) as missing, lost, or stolen, to their appropriate investigative agency and the DoD Registry.

b. FOLLOW-UP. Follow-up procedures will be initiated by the receiving Component Registry for all weapons received for which no WSN with Transaction Code S was provided by the shipping Component Registry. The follow-up procedure is necessary to confirm the serial number(s) reported as received matches the serial number(s) selected and shipped. The receiving Component Registry will take the follow-up action with the shipping Component Registry within 10 calendar days after weapon(s) has been confirmed as received using DI DSD Small Arms Receipt/Issue follow-up transaction. The Transaction Date (positions 76-80) will be the two-digit year and three-digit Julian date the weapon(s) was received. Lack of response within 10 calendar days will result in an electrical transmission (message) being sent to the shipping Component Registry with an information copy to the shipping activity and its higher headquarters.

c. TIMEFRAMES. The standard timeframes for inter-service/agency submission of Transaction Codes R and S as prescribed above also apply to intraservice/agency shipments and receipts.

PART G: SHOPS STORES/READY SUPPLY STORES/SERVMARTS

06700 GENERAL

1. GENERAL. Navy retail issue outlets include shops stores, ready supply stores, and Servmarts. The objective of these retail outlets are:

a. Provide a point, readily accessible to the customer activity which provides expedited or improved service.

b. Reduce the cost of processing relatively low value requisitions and thereby decrease cost of furnishing material to the customer activity.

c. Reduce the number of "bearer" requisitions in main supply.

d. Decrease the high priority requisitions in the system generated by Not-In-Stock (NIS) conditions.

e. Decrease returned material because the customer views the item before purchase under the self-service concept.

06705 SHOP STORE/READY SUPPLY STORE

1. SHOP STORE (SS). A shop store is a retail issuing organization located at a naval activity to furnish material for use at that activity in current manufacturing, repair, maintenance or general use. The primary purpose of a shops store is to facilitate the issue of material needed for current operations. Therefore, stock is specialized, stock control and issue procedure are simplified, and the store is operated by personnel familiar with the material stocked.
2. READY SUPPLY STORE (RSS). A ready supply store is a retail outlet physically located at one naval command to provide customer support, yet supported and accounted for by another naval command. Ready supply stores are established at activities where it is more economical to provide material support through a retail outlet than to require the activity to receive, store and issue material in a regular stores account.
3. POLICIES FOR SHOP STORE, READY SUPPLY STORE. Support can be provided from main supply or direct from the Inventory Manager (IM). In CONUS, if supported from main supply, SS/RSS is authorized one month average inventory. (Zero Safety Level (SL) + two months Operating Level (OL).) If SS/RSS are replenished from sources other than main supply, with the result that main supply is not recording demand and maintaining levels in support of SS/RSS, then the level authorized for main supply may be used by the SS/RSS.
4. RECORDS. Stocks of both stores are carried on the Financial Inventory Ledgers in Special Accounting Class (SAC) 203. Main supply records should be coded to indicate support of SS/RSS. Reason: SS/RSS order in case lots, but issue by item. Result: demand for this material in main supply may not be enough to continue stocking, but since it is backing up an SS/RSS it should not be dropped from inventory. Recording in main supply records that an item is carried in SS/RSS could satisfy a high priority NIS requisition.

06710 SERVMARTS

1. DEFINITION. A Servmart is operated to provide rapid supply of commonly used, popular-items to afloat and ashore units in a local area. Basically, a Servmart is a self-service supermarket for fast moving, low dollar value items.
2. STOCK RANGE AND DEPTH. The stock range and depth of items stocked or available through Servmart will be revised as necessary to meet demands. Customers are encouraged to suggest new items for introduction into the Servmart system.
3. INSTRUCTION. Guidance for Servmart operation is provided in NAVSUPINST 4400.59 (series). In most Servmart operations this is supplemented by local instructions tailored to specific geographical needs.
4. ACCOUNTABILITY. Stocks are carried on the Financial Inventory Ledgers in Special Accounting class (SAC) 260.

5. ITEM ESTABLISHMENT FOR SERVMARTS. The establishment of items is based on customer requirements. A thirty day on-hand investment level is allowed for those items also carried in main supply. Specific criteria for items to be stocked are as follows:

- a. Unit price of less than \$350.
- b. Minimum demand frequency of two each per month.
- c. Insurance items, repairables, critical or classified items aren't stocked.

6. SUPPLY PROCEDURES.

a. Currently there are two systems of Servmart operation under the guidance and control of major stock points in the Naval Supply Systems Command.

(1) The Electronic Point of Sale (EPOS) system is a source data automation technique which, in addition to recording demands at point of sale and stock asset visibility by stock number, also provides the inventory control features that UADPS-SP provides for stock points.

(2) The manual system of Servmart operation has none of the features of the EPOS system. Stock assets are determined by FIR value and replenishment and excessing are done by visual estimation.

b. Main supply should code stock records when items are carried in Servmart, in order not to drop items of inventory carried as a back-up since most items carried in the Servmart are also carried in main supply. Close cooperation is needed between Servmart and main inventory personnel in order to get the maximum amount of effectiveness out of the Servmart operation.

7. REQUISITIONS AND ISSUE PROCEDURES.

a. SHOPPING GUIDE. The "Servmart Shopping Guide," listing items stocked in or available through Servmart will be distributed to all potential customers. The "Servmart Shopping Guide" will be completely revised annually by Fleet Services/Servmart Branch personnel.

b. SERVMART SHOPPING LIST. The Servmart Shopping List (SSL), NAVSUP Form 1314, is used to list multiple items intended to be procured from a Servmart and provides the accounting data necessary for procurement (see sample on page 6-114). One SSL is required to be prepared for each category or cost code of material that is to be procured from a Servmart. Activities should ensure that the SSL contains a valid fund code. Requisitions will be checked at time of verification of authorization card. Personnel having documents without fund code will not be allowed to shop until data is obtained.

Stock Point Operations

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c. AUTHORIZATION CARDS. Servmart shoppers are required to present a Servmart Authorization Card in addition to the SSL. Authorization Card with a different signature than on the SSL will not be permitted into the Servmart area. Each Authorization Card must be signed by the person(s) authorized to sign the SSL. Activities with only one authorizing official should request two cards and designate an alternate to sign in the absence of the primary authorizing official. The Servmart Authorization Card must be considered the same as a credit card and must be controlled by each activity as such. It is the responsibility of each activity to ensure that only authorized persons have possession of the Authorization Cards since the Authorization Card and the SSL will be the basis for all financial charges.

d. TRANSACTION COMPLETED. Upon completion of the shopping action, all material purchased will be returned to the requisitioning activity. Receipt quantities will be verified and the lower portion of the SSL which reads: "Received, inspected, and verified on ____" will be completed by the requisitioner. The original of the completed, properly certified SSL and the EPOS II cash register tape (or adding machine tape from manual Servmarts) will be retained for a period of two years.

e. MONETARY VALUE. Servmart material will not be "sold" in excess of the monetary value indicated on the SSL presented by the customer, unless approval to increase the monetary limitation is obtained from the requisitioning activity.

8. MAINTAINING AN AUDIT TRAIL. The importance of ensuring that government funds are properly expended is emphasized. Requisitioners attach cash register tape from EPOS II equipped Servmart stores or adding machine tape from manual Servmart stores to SSL. If the EPOS II cash register receipt is lost, requisitioners may request a copy of the tape from the Servmart manager. Periodically, but not less than once per quarter, the designated authorizing official reviews for proper use of funds. Also available upon request from EPOS II equipped Servmarts is the Customer Items Purchased Report which provides the following information and can be used for verification of materials purchased.

a. Customer Items Purchase Report Contents

- (1) Date of Transaction
- (2) Checkout Number
- (3) Transaction Sequence Number
- (4) Operator IF
- (5) Document Number
- (6) Job Order/Supplemental Address
- (7) Signal Code
- (8) Fund Code
- (9) Time of Transaction

b. Second line and succeeding lines for each transaction will consist of a NIIN, Nomenclature, Quantity, Unit of Issue, and Total Amount Charged for Item.

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SERMART SHOPPING LIST (4491)							
NAVSUP FORM 1314 (REV. 3-95) S/N 0108-LF-019-4300				MATERIAL CATAGORY	PAGE	OF	JULIAN DATE
SHIP/ACTIVITY			REQUISITION NUMBER			FUND CODE	
SIG CODE:		SUPP ADDRESS			WORK CENTER		
COST CODE:		OBJ CLASS CODE		ORG CODE		JOB ORDER	
ITEM NO.	COG SYMBOL AND NSN	DESCRIPTION	U/I	QTY	UNIT PRICE	EXTENSION	REQUIRING DEPARTMENT
1							
2							
3							
4							
5							
6							
7							
8							
9							
0							
1							
2							
3							
4							
5							
TYPED OR PRINTED NAME AND RANK OR GRADE OF AUTHORIZED SHOPPER _____ DISTRIBUTION: WHITE - Shopper's Copy, YELLOW - Mail to Ship/Activity, PINK - Store's Copy (Optional), GOLD - Supply Officer's Copy I CERTIFY THAT THE PURCHASE OF MATERIALS LISTED HEREON IS NECESSARY FOR OFFICIAL GOVERNMENT BUSINESS. REQUESTED BY (FOR DIRECT TURNOVER MATERIAL): _____ APPROVED BY: _____ <div style="display: flex; justify-content: space-between;"> _____ <i>Authorized Signature</i> _____ <i>Supply Officer's Signature</i> </div> UPON RETURN TO THE SHIP/ACTIVITY, THE FOLLOWING MUST BE COMPLETED: RECEIVED, INSPECTED AND VERIFIED ON: DATE: _____ BY: _____ <div style="text-align: center; margin-left: 150px;"><i>Typed or Printed Name and Rank or Grade and Signature</i></div>							
<div style="border: 1px solid black; width: 100%; height: 40px; margin-bottom: 5px;"></div> UNIT MAILING ADDRESS					PURCHASE SUBTOTAL PLUS 10% FOR PRICE VARIATIONS PURCHASE TOTAL		

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CHAPTER 7: PACKAGING AND TRANSPORTATION

PART A: SCOPE

07000 PURPOSE

This chapter shows how to process documents to move material at Navy FISCs and DLA Distribution Depots (DDs). Functions include receipt, storage, issue, packing, and shipment of material. These functions include moving material within and between the military services and the General Services Administration. The material movement procedures in this chapter agree with the provisions and requirements of MILSTRIP, the mandatory provisions of NAVSUP Publication 284 and 284-1, and the Military Standard MIL-STD-129. They do not apply to supply items outside the scope of MILSTRIP.

PART B: MATERIAL RECEIPT

SECTION I: INTRODUCTION

07001 GENERAL

Material receipt involves identifying, storing, issuing, and recording of material that's been requisitioned or purchased. The following procedures should help to move replenishment stock - direct from the receiving area to the correct storage area - without tying up material too long in receipt control. Speed is important; but even still, Receipt Control must process the receipt documents for **direct delivery shipments** - up front - to ensure proper documents are obtained. Getting the proper documents is important because they are used to disposition material.

07005 RECEIPT DOCUMENTS AND UNIFORM ROUTING SIGNALS USED BY THE RECEIVING FUNCTION

1. DD FORM 1348-1A. The DD Form 1348-1A is the primary document used to issue, release, and receive material; it is prepared by the supply/shipping activity. The 1348-1A is mandatory for all shipments to DoD customers. It is also used as a record of receipt and can be used to prepare other documents.
2. RECEIPT DOCUMENTS. To make sure that material and documents are properly distributed under MILSTRIP procedures, the receiving function will obtain the following documents as applicable:
 - a. U.S. Government Bill of Lading or its counterpart. Memorandum copy will be received with the shipment or separately, depending on the mode of shipment.
 - b. One copy of DD Form 1348-1A, except on parcel post shipments. This copy will be received in accordance with guidelines of par. 07310.5b. If this copy is not available upon material receipt, the receipt should still continue to be processed

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- c. Three copies of DD Form 1348-1A attached to containers in water-proof envelopes.

Note: Truckload or carload receipts: the documents referenced in subpar. 1.a and 1.b above will usually be received as a package.

- d. Parcel Post Receipts. Three copies of DD Form 1348-1A may be found attached either to outside or inside of the shipping container - depending on the size and type of the container.

3. ROUTING SIGNALS. Receiving will use four rubber stamps to help Receipt Control internally route material and the 1348-1A: "STORAGE", "PREPOSTING", "TRANSSHIPMENT", and "DIRECT DELIVERY".

07010 IDENTIFYING MATERIAL DESTINATION.

1. COMPOSITION AND LOCATION OF DOCUMENT NUMBER. The requisition document number listed on transportation documents and stenciled (or otherwise showing on containers) is on the top line of the DD Form 1348-1A. An "N," "R" or "V" denotes Navy. The following five digits represent the accounting number of the originator's request; the next four digits are the Julian date and the final four digits show the serial number of the requisition.

2. DETERMINING THE ULTIMATE CONSIGNEE. Interpret the top line of the 1348-1A to determine whether material is for stock, for a shop or department, or dependent activity. How to make those determinations follows:

- a. Stock Material. If the material is for stock at the receiving activity, the accounting number of the receiving activity will be printed in the top line of print under the caption "Requisitioner"; also Fund Code 26, J3, or K8 will appear under "Additional" (rp 21-22) or under Fund Code rp 52-53. When entries appear in both rp 21-23 and 52-53, data in rp 21-22 will be the fund code. Project Code 770 identifies that the material is for stock.
- b. Direct Delivery to a Shop Department. If the material is for direct delivery to a shop or department at the receiving activity, the accounting number of the receiving activity will be printed in the top line under the caption **Requisitioner** and a number preceded by a **Y** will be printed under the caption **Supplementary Address**.
- c. Delivery to a Dependent Activity: If the material is for delivery to a dependent activity, the accounting number of the dependent activity will be printed on the top line under the caption "Requisitioner" and the accounting number of the receiving activity will be printed under the caption **Supplementary Address**.

07015 PRIORITY INDICATOR AND REQUIRED DELIVERY DATE

To meet the requirements of the Uniform Priority System, you must process and move high priority material quickly. The priority indicator and delivery dates are on the top line of each DD Form 1348-1A.

07020 DETERMINATION OF STORAGE LOCATION FOR STOCK MATERIAL

Once stock arrives at the receiving area, where you move it depends on what storage plan exists for the material. Activities may store stocks by Federal Group and Class; by cognizance symbol and Federal Group and/or Class.

07025 DISTRIBUTION OF DOCUMENTS AND MATERIAL

1. CHECKING RECEIPTS. When processing a shipment, Receiving will use the documents accompanying the material (or if the documents come in advance of the carrier, use the documents from receipt control) to check and disposition the documents and material. Receiving will do this as shown:

- a. Assigns a receiving warehouseman to check the shipment; he counts the number of containers received and compares it with the number specified on the transportation document.
- b. Initials and dates the transportation document to certify receipt of material.
- c. Removes all of the outside packing copies of DD Form 1348-1A (which are attached to containers) except those intended for further delivery.
- d. Verifies the number of containers received on each 1348-1A, if a shortage is found during Step 1.
- e. Initials and enters the date that the material is physically checked, in Block 22 of the 1348-1A. Enters any exceptions in Block 27.
- f. Furnishes a copy of the receiving invoice to the senior member of the Local Controlled Medicinal Inventory Board upon receiving a narcotic or controlled drug (an item coded "R" or "K" in the Federal Supply Catalog).

2. DISPOSITION OF MATERIAL AND DOCUMENTS. For the various receipt categories defined in par. 07010, Receiving will disposition material and documents as shown:

- a. STOCK MATERIAL. Stamp one copy of DD Form 1348-1A "Storage" and one copy "Preposting." Attach the storage copy to the material and forward them to the appropriate storage area. Forward the preposting copy, the extra copy removed from the container, the advance copy received with or related to the transportation document, and the copy of the transportation document (if available) to receipt control for further processing.
- b. DIRECT DELIVERY MATERIAL TO A SHOP OR DEPARTMENT. Stamp "Direct Delivery" on all copies of DD Form 1348-1A; i.e., three removed from the material and one received with the transportation document. When the shop or department is identified in the supplementary address field or the 1348-1A, forward material to the shop or department, using the 1348-1A as the delivery document. When the shop or department is not identified on the 1348-1A, request delivery instructions from receipt control.

c. DELIVERIES OR SHIPMENTS TO A DEPENDENT ACTIVITY. If the name of the dependent activity is not already shown on DD Form 1348-1A, obtain the "clear text" address from either the transportation document, if available, or from the DoD Activity Address Directory, DoD 4000.25-6-M. Insert this address in Block 27 and then stamp "Direct Delivery" on all copies of DD Form 1348-1A. Forward the material with two copies of DD Form 1348-1A to the appropriate delivery or shipment function. Annotate the copy of the transportation document, if available, to indicate disposition of the material and forward with the remaining copy(s) of DD Form 1348-1A to receipt control.

d. ROUTING. When it's practicable, incoming carriers will be routed directly to the applicable storage or transshipment area for unloading. If needed, packing personnel in Receiving will do any restenciling of containers.

3. DISTRIBUTING THE DD FORM 1348-1A

a. Distribute and number the 6 copies of the Issue Release/Receipt Document as follows:

No. of Copies	Use
Original	To supply: copy kept by the distribution point (shipper). Mechanized activities having automated proof of shipment capability (and no use for the copy locally) can forward the original copy to the consignee along with the advance Government Bill of Lading.
One Copy	To transportation: copy kept by the distribution point (shipper). When the shipping activity is able to accumulate data using the Punch Card Accounting Method (PCAM) of Electronic Data Processing (EDP), and it's not required for audit purposes, the transportation copy will be destroyed.
Two Copies	To consignee with material: One copy must be the first carbon copy to ensure legibility. For single line item shipments, these copies will be included with the material placed in the No. 1 shipping container. For consolidated shipments, these copies will be attached to the shipment pack applying to each individual requisition and placed inside the shipping container(s). If the storage container is used as the shipping container, it will not be opened for the sole purpose of inserting the consignee copies: Instead, the copies will be placed inside the packing list envelope and attached to the outside of the No. 1 container.
One Copy	To consignee: Attach to outside of No. 1 shipping container after use for picking, packing, and item identification.
One Copy	For shipments to Defense Reutilization and Marketing (DRMO). This copy will accompany the material to DRMO.

b. GRANT AID TRANSACTIONS. Distribute one set (6 copies) of the Release/Receipt Document as shown in the following chart. On direct deliveries from vendors, a copy of the DD Form 250, Procurement Shipping, and Receiving Document, will be forwarded to the MAAG/Mission of the country.

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No. of Copies	Distribution
Original	To supply: copy kept by the distribution point (shipper).
One Copy	To transportation: copy kept by the distribution point (shipper). When the shipping activity is able to accumulate the data using PCAM or EDP, this copy will be destroyed after data has been accumulated... unless it's required for audit purposes.
Two Copies	To consignee with material: One copy must be the first carbon copy to ensure legibility. When containers are prepacked and selected for shipment in accordance with the container markings, the two copies will be inserted with the copy in the envelope on the outside of the container. On consolidated shipments, these copies will be attached to the shipment pack applying to each individual requisition and placed inside the shipping container.
One Copy	Attached outside of Number 1 shipping container after use for picking, packing, and item identification.
One Copy	Forward via air mail to the activity designated in the MAPAD to receive the Release/Receipt documents (Type Address Code F).

c. Foreign Military Sales (FMS) Documents

(1) Two sets of the Release/Receipt Document will be prepared for all FMS transactions. Distribute the first set as follows (actual copies used, other than the original and the first carbon copy, will be at the option of the individual Service/Agency):

No. of Copies	Distribution
Original	To supply: copy kept by the distribution point (shipper).
One Copy	To transportation: copy kept by the distribution point (shipper).
Two Copies	To consignee: Attach to inside of No. 1 shipping container. One copy must be the first carbon copy. When containers are prepacked and selected for shipment in accordance with the container markings, two copies will be inserted with the copy in the envelope on the outside of the container. On consolidated shipments these copies will be attached to the shipment pack, of each individual requisition, and placed inside the shipping container.
One Copy	To consignee: Attach to outside of No.1 shipping container after use for picking, packing, and item identification.
One Copy	Send to activity designated in the MAPAD to receive the Release/Receipt documents.

(2) For shipment units not requiring Notice of Availability (NOA), the second set (6 copies) will be forwarded, via airmail (except when CONUS recipient is too close to use air mail) to the Release/Receipt document address showing in entries rp 33 and 47.

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(3) For shipment units requiring NOA, three copies of the second set will be used in providing the Original/Delay/Amended Notices of Availability as required. The copies in the second set, upon shipment release, will be distributed in accordance with par. 08026.

07030 WHEN OUTSIDE PACKING COPIES ARE MISSING

If all of the outside packing copies of DD Form 1348-1A have become detached from the shipping container and are not available to disposition material, the receiving personnel will furnish an advanced copy to receipt control and request preparation of three additional copies.

SECTION II: MATERIAL TURNED INTO STORE (MTIS)

07035 GENERAL

1. **PURPOSE.** Normal Fleet operations influence the flow and return of material back to Navy stock points. The primary purpose of any "return program" is to return RFI material to stock under its correct National Stock Number. There are two distinct programs that facilitate the return of Navy material.
2. **MTIS.** The first program- is material returned from the consumer level to retail stock points. It is traditionally called Material Turned-In to Store (MTIS) because stock points carry material in stores accounts. MTIS is a distinct operation at each stock point and takes Ready- For-Issue (RFI) turn-ins from customer activities and returns them to stock in order to meet future requirements. Activities turning in material to shore stock points (either to the retail or wholesale level of supply) often qualify for credit.
3. **MRP.** When a **retail stock point** has no need for such stock, it uses a formal inquiry procedure to declare excess material to the wholesale item manager. It's called the DoD Material Returns Program (MRP) and is addressed in paragraph 02155. Stock point processing of Not-Ready-For-Issue (NRFI) Mandatory Turn-in Repairables (MTR) is administered separately from MTIS per NAVSUPINST 4419.2 (series).
4. **MTIS OPERATING PROCEDURES AT STOCK POINTS.** Navy stock points segregate their MTIS operation (from their receiving operation) to process various categories of excess material. MTIS screens the turn-in of material, acting as a buffer between the Navy stock accounts (NWCF and APA) and consumers or activities. Stockpoints will process MTIS receipts as stated in the NAVSUPINST 4440.157 (series). Activities planning to turn-in large quantities of material should contact the servicing stock point in advance to arrange preinterrogation screening. This can aid segregation of the actual material. Additional guidance for miscellaneous commodities is contained in par. 02120.

5. CREDIT. Under MTIS, material will be returned to local stock when it is within the authorized retention limit (OPNAVINST 4440.18 series) and credit is given only up to the Requisitioning Objective (RO). If any part of a turn-in quantity with less than \$20 extended money value is needed, the entire quantity will be accepted to avoid an excessive effort in splitting the quantity. Because of the processing cost, credits for less than \$20 will not be granted; but these turn-ins will be screened by MTIS based on their potential usability.

6. RESALE. MTIS has a secondary purpose: to process all excess material at local stock points by offering it to the wholesale manager (Navy, DLA, WIMM, GSA). MTIS uses an excess declaration document (DI FTE) to transmit this offer to the wholesale manager.

7. MTIS SCREENING AND TECHNICAL REFERENCE CAPABILITY. To operate effectively, an MTIS operation needs technical references to disposition material. These "references" help to identify material and ultimately decide whether to stock (with or without credit), send an excess inquiry to the item manager, or determine that the material can't be used - which qualifies it for transfer to the Defense Reutilization and Marketing Office. They use the following reference materials: FEDLOG, MSIR, and Demand History.

07040 ACTION TAKEN BY RECEIVING MTIS ACTIVITY

1. RECEIVING. Upon receipt of material, verify the quantity and check in normal manner (correct NSN, etc.). Make the following distribution of documents and material:

a. Release a copy of the receipt to the activity representative turning in the material; that's only if you know who the representative is and that they've provided you with an extra copy of DD Form 1348-1A.

b. Attach a minimum of three copies to the material, and any additional available copies of DD Form 1348-1A, and forward to the screening and identification area.

Note: Prescreening via tape or disk file should be done for large quantity turn-ins to minimize double handling and streamline sorting.

2. MATERIAL SCREENING AND IDENTIFICATION

a. GENERAL. Material will be held in MTIS during screening and identification and technical personnel (regardless of their organization) must be available to accomplish it. Technical personnel screening and identifying MTIS material will use excess material lists, catalogs, and other data as outlined in 07035. Normally, material received properly documented and professionally packaged shall only be inspected. The following is a guide for processing priority of MTIS and is not mandatory. It should be used to accurately screen and identify improperly marked or documented material.

- (1) Inventory manager directed returns.
- (2) Class 207/224 turn-ins.
- (3) Turn-ins from industrially funded activities.
- (4) ISSOP returns and Fleet ILO returns.

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(5) Improperly marked or documented material (includes part numbered).

b. SCREENING DETERMINATION. After material is screened, it's classified as:

(1) For material identified by class or federal group number (in a ready for issue condition), and the instructions say to take it up in stock, mark the material "Ready for Issue".

(2) For mandatory turn-in repairable material which is not in a ready for issue condition, the MRIL is used to identify the MTR processing activity where the material is to be shipped.

(3) For material which is no longer required for stock - regardless of its condition at receipt - request status from the wholesale manager and keep it pending reply.

(4) For material determined to be scrap (using the NAVSUP Manual criteria) mark "Excess, Dispose of Scrap". For other than valid scrap, seriously consider any decision to send material to the Defense Reutilization and Marketing Office (DRMO). Refer the questionable items to the inventory control officer for determination. After classifying and marking with one of these four, attach a minimum of three copies of DD Form 1348-1A . A copy of DD Form 1348-1A must also be attached to the item inside the container and must remain with the item until it is inducted for repair.

07045 DISPOSITION OF MATERIAL

1. SCREENING FUNCTION. After screening and identification processes have categorized the material into one of the four classes of material listed in subpars. 07040-2b, the material and documents will be distributed as indicated in subpars. 2 and 3.

2. MATERIAL TO DISPOSAL. Material identified to one of the categories defined in subpars. 07040-2b (3) and (4) will be forwarded to disposal with a minimum of three copies of DD Form 1348-1A. Disposal will receipt for the material and forward one copy to receipt control when the extended line item value exceeds \$50. Maintain in-transit accountability to ensure all the disposal material arrives at DRMO.

3. MATERIAL TO STORAGE. Material identified to one of the categories defined in subpars. 07040-2b(1) through (3) will be forwarded to the appropriate storage location with two copies of DD Form 1348-1A. When the same NSN quantity contains both stock and disposal items, change the original quantity to the stock quantity on DD Form 1348-1A; prepare and send three additional copies of the 1348-1A with the disposal quantity.

07050 RECEIPT OF MATERIAL BY STORAGE

1. STORAGE OF MATERIAL. Documentation (accompanying material to storage areas) will show material classification. Put material in store and complete DD Form 1348-1A as follows:

- a. Receive material with a minimum of two copies of DD Form 1348-1A.
- b. Make appropriate quantitative changes (do not prepare discrepancy report).
- c. Initial and date DD Form 1348-1A in Block 22.

2. DISTRIBUTION OF DOCUMENTS. Forward both copies of the receipted DD Form 1348-1A to stock control.

SECTION III: PROCESSING MANDATORY TURN IN REPAIRABLE (MTR) MATERIAL

07055 GENERAL

1. THE NAVSUP PUB 485. The P-485 Volume I, Afloat Supply Procedures, Chapter 8, specifies that ships will prepare complete turn-in documentation (DD Form 1348-1A) and package to the best degree possible. In addition, the P-485 Volume I provides batching, marking, and segregating instructions. For shore activities, Chapter 8 of this publication prescribes the responsibilities of the local supply department (supporting the organization) which removed the item from the equipment, ship, or aircraft. It includes screening for the identification of NSN, ultimate consignee, and adequacy of packaging. Stock point processing normally requires simply moving the material to shipping areas to be sent to another activity, to packaging if required, or to storage if pick up by receiving activity is indicated.

2. LOCATION. Each shore activity supporting fleet units or dependent activities will establish and publicize to their customers a specific location for turning in MTR MTIS.

3. PACKAGING. Shore activities will complete packaging when the need is indicated on DD Form 1348-1A or if, from visual inspection, the condition of containers or obvious lack of protection indicates a need for additional packaging. This applies to the first receiving activity, transshipping activities, collection points, and overhaul points. If additional packaging is not required, material turned in for transshipment should be forwarded directly to transportation.

4. PICK UP. Upon receipt at the consignee activity, MTR material will be picked up using the prepost or controlled post method.

5. PROCESSING PRECEDENCE

a. MTR MTIS will take precedence over all other MTIS - provided it is identified and documented as such.

b. RED STRIPE/BLUE STRIPE. Critical items turned in on a Priority 03 will be identified by a red stripe approximately one inch wide encircling the container and the words RED STRIPE on shipping documents. RED STRIPE turn-ins should be processed immediately upon receipt. Short supply items turned in on a Priority 06 will be identified by a blue stripe approximately one inch wide encircling the container and the words BLUE STRIPE on shipping documents. BLUE STRIPE turn-ins should be processed immediately upon receipt to the degree resources permit. If transshipment is required, premium transportation, including air shipment, is authorized for RED STRIPE and BLUE STRIPE material.

6. SCREENING. Screening by consignee activity to verify accuracy of identification or consignment of documented turn-ins should be performed selectively as required in accordance with NAVSUPINST 4419.2 (latest series). Screening to verify adequacy of packaging should be limited to a visual inspection to determine if DD Form 1348-1A indicates a need for additional packaging (Block 27 annotated PACKAGING REQUIRED) or if the condition of the material or container indicates an obvious need for additional packaging. (An exception may be made if experience has shown a high error rate from a specific activity, however, corrective action should be taken as indicated in par. 07070.) MTR material received without documentation or with inadequate documentation will be forwarded to screening for action as prescribed in par. 07040. Discrepancies noted will be reported in accordance with par. 07070.

07065 TURN-IN PROCEDURES FOR NRFI DLRs

1. DI BC1. Transaction Item Reporting Activities will process NRFI DLR turn-ins when received on a DD 1348-1A with a DI of BCI as follows:

a. When the Receiving Activity is the Hub, DSP (Designated Support Point) or DOP (Designated Overhaul Point), take up in stock and TIR (Transaction Item Report) the receipt (D6A) to the ICP.

b. When the Receiving Activity is not the DSP/DOP, process as follows:

(1) When another Navy Activity is the DSP/DOP, TIR the receipt and transshipment (D6A/D7K) to the ICP and ship the DLR on a BC2 DD 1348-1A.

(2) When a Commercial Repair Facility is the DSP/DOP, TIR the receipt and transshipment (D6A/D7M) to the ICP and ship the DLR on a BC2 DD 1348-1A.

(3) When an Other Service is the DSP/DOP, TIR the receipt and transshipment (D6A/D7B) to the ICP and ship the DLR on a BC2 DD 1348-1A.

(a) If the DLR is assigned a NIMSC (Nonconsumable Item Material Support Code) of 5, an FTA and subsequent FTM will also be TIRed to the ICP.

(4) When shipment is made to disposal, D6A/D7J transactions are TIRed to the ICP.

2. DI BC2. Transaction Item Reporting Activities will process NRFI DLR turn-ins when received on a DD 1348-1A with a DI of BC2 as follows:

a. When the Receiving Activity is indicated as the Summarized Activity ("Ship To" addressee and the Supplementary Address) on the BC2 DD 1348-1A, processing will be the same as par. 07065 except that the receipt TIR will be a D6K in lieu of a D6A.

b. When the Receiving Activity is not the summarized activity on the BC2 DD 1348-1A, reship the material to the summarized activity indicated, using the original BC2 DD 1348-1A document. Do not TIR to the ICP because financial and inventory transactions would be incorrectly reflected.

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3. NON-TIR ACTIVITIES. Receiving Activities which are not TIR activities to the ICP of the DLR take the following actions:

a. If the NRFI DLR turn-in is received on a BC1 DD 1348-1A, ship the DLR to the DSP/DOP using a BC1 DI and the same document number.

b. If the NRFI DLR turn-in is received on a BC2 DD 1348-1A, ship to the summarized activity indicated on the DD 1348-1A.

4. EXCESS DLRS. Receiving Activities process excess DLR (blank DI and Management Code of C in rp 72) turn-ins as follows:

a. TIR activities take up material in Purpose Code A stock and report the receipt to the ICP via DI D6A with C Management Code in rp 72.

b. Non-TIR activities should reshipe to the nearest TIR activity on a DD 1348-1A with a blank DI and a Management Code of C in rp 72.

07070 REPORTING DISCREPANCIES

1. RODS. Shipping-type item discrepancies and packaging discrepancies related to shipper error are reported via the Report of Discrepancy (ROD) System. RODs are reported on Standard Form 364. The types of discrepancies reported are described in NAVSUPINST 4440.179. It details instructions for preparation and distribution.

2. TDRS. Transportation discrepancies - in shipments sent through the Defense Transportation System (DTS) and shipments within CONUS moved by commercial carrier - will be reported via the Transportation Discrepancy Report (TDR). TDRs are reported on Standard Form 361. The types of discrepancies reported are described in NAVSUPINST 4610.33 which also details instructions for preparation and distribution of TDRs.

PART C: STORAGE

SECTION I: PROCESSING DD FORM 1348-1A

07100 RECEIPT OF MATERIAL INTO STORE

1. DOCUMENT AND MATERIAL PROCESSING. Material received for stock, other than material turned into store, is processed as follows:

2. DELIVERY TO STORAGE. Material is delivered to storage by receiving with one copy of DD Form 1348-1A stamped **STORAGE**.

3. LOCATOR INFORMATION. Detailed location information is obtained from locator files and annotated in Block 27 of DD Form 1348-1A. When the storage location actually used differs from what's indicated in the locator file, or if no location had been established before receipt and storage of the material, detailed location information is input to the locator files.

4. STOREMAN'S COUNT. Upon receipt of the annotated copy, the storeman performs the necessary count, identification, and inspection for damage, if not performed on the receiving floor. If no exceptions are discovered, the material is stored in the indicated location or in new location(s), as necessary. The "storage" copy of DD Form 1348-1A is completed by inserting initials and date in Block 22. The document is forwarded to financial inventory control or as required by established procedures.

5. EXCEPTION PROCESSING. If exceptions in quantity, identity, or condition are discovered, the storeman annotates the "storage" copy of DD Form 1348-1A with correct information directly below the pertinent printed data. The quantity is lined out - but not obliterated - and the quantity actually received is annotated directly below the lined out quantity. **Discrepancy** is stamped or written on the document. Depending upon the circumstances of the exception, the material is placed either in stock or in a temporary holding area. The annotated document is forwarded to the financial inventory control/clerical function for exception processing.

07120 ISSUE OF MATERIAL FROM STOCK

1. GENERAL. Due to the requirement for additional inventory data on the Stock Status Balance Card, certain data provided on issue documents is not available "in-the-clear" by activities employing Electrical Accounting Machine (EAM) equipment. Manual record activities are not be affected by such system limitations and can provide "in-the-clear" information. Both manual and EAM activities have the capability of indicating the "warehouse location" in Block F of the release receipt document.

2. IDENTIFICATION OF SHIP TO ADDRESS OR CONSIGNEE. DD Form 1348-1A may, at the option of the command at manual record activities, be prepared with an in-the-clear address. Addresses are available in the DoD Activity Address Directory, DoD 4000.25-6-M, which may be obtained from NAVSUPSYSCOM (Code SUP 083) in directory form or from NAVCOMPT (Code NAFC 3H) in mechanized card file. Addresses for ILP transactions (FMS and Grant Aid) are available in MAPAD (DoD 4000.25-8-M).

a. The Command chooses the method used to provide an in-the-clear address. The following method is suggested and should be used if it's all possible. In such situations, alternative procedures, which satisfy the requirement for in-the-clear address, may be developed locally:

(1) Identify the consignees to whom shipments are routinely made.

(2) Establish requirements for preprinted shipping or mailing labels for each consignee based on the number of items issued to each consignee during defined period: i.e., month, quarter, etc.

(3) Arrange for initial procurement of calculated quantities of mailing label requirements. Establish low limits and replenishment procedures.

(4) Devise format and data to be provided on the mailing label. Include the activity accounting number.

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(5) Establish pigeon hole type files in the Release/Receipt Document processing area. Ensure adequacy of pigeon holes as to individual capacity and total quantity required.

(6) Identify individual pigeon holes by activity accounting number in numerical sequence.

(7) File supplies of mailing address labels in pigeon holes.

b. In processing DD Form 1348-1A prior to release to the stock picking function, select appropriate mailing address label, using accounting number as a guide. Attach the label to each applicable DD Form 1348-1A.

c. When processing DD Forms 1348-1A for consignees for whom a supply of preprinted mailing address labels is not maintained, refer to the DoD Activity Address Directory, DoD 4000.25-6-M, to obtain the correct mailing address. In such instances the activity accounting number and the complete mailing address will be typewritten or handwritten on a mailing label which will be physically attached to the DD Form 1348-1A.

3. ITEM NOMENCLATURE. At manual record activities the item nomenclature appearing on the item record card will be typewritten in Block X of DD Form 1348-1A, at time of document preparation, in accordance with normal procedures. Such information will, therefore, be available for use throughout the issue, packing and shipping functions. At Electrical Accounting Machine (EAM) activities the item nomenclature will not be printed on the DD Form 1348-1A at time of document preparation and will not be available for use throughout the issue cycle except as provided for hereinafter.

4. WAREHOUSE LOCATION. At manual record activities the warehouse location may be entered on the item record card and typed in Block 27 of the DD Form 1348-1A at time of document preparation. At installations employing Electrical Accounting Machine (EAM) equipments, space is provided on the Stock Status Balance Card for detailed warehouse location information, and such information, when maintained on the Stock Status Balance Card, will be printed in Block 27 of DD Form 1348-1A, prior to release of the document to the storage function. When DD Form 1348-1A is received without annotated stock location information, the document will be screened over appropriate locator files and the detailed location data will be inserted in Block F.

5. OTHER PERTINENT DATA. The accounting number appearing in rp 31-35, the supplementary address appearing in rp 45-50, and the project appearing in rp 57-59, will be printed in Block 27 to provide the rapid recognition and clarity. Manual record activities, operating without the Stock Status Balance Card space restrictions imposed upon mechanized activities, may elect to maintain such additional data on the SSBC as type of cargo code, less than truckload freight rating code, item nomenclature, etc. Such data, when maintained, may be included in the appropriate blocks of DD Form 1348-1A.

6. ISSUE PROCEDURES. The stock selector will receive DD Form 1348-1A in a six part construction. A clear address will be typed on or a mailing label will be attached to the document. The warehouse location will be indicated in Block 27. Stock will be selected observing the following information appearing on DD Form 1348-1A.

a. STOCK NUMBER, UNIT OF ISSUE, QUANTITY AND CONDITION CODE. The stock number, unit of issue and quantity will always be printed in the top line of DD Form 1348-1A.

b. ISSUE OF SHELF-LIFE MATERIAL. The third position (rp 3) of the document identifier code may be used by storage personnel to determine whether material is destined for CONUS or overseas activities. Any one of the digits 1, 2, 3, 4 or 5 in this space indicates the ultimate designation is overseas. This is significant in determining material to be selected if shelf-life limitations are assigned to the item. Codes 21, 22, 23, 24 or 26 printed in rp 52 and 53 of DD Form 1348-1A indicate the material is for stock. Any other codes in these spaces will indicate that the material is for end use. Remaining shelf-life time will be calculated. Information as to whether the requisitioned material is for stock or for end use will be used to determine the eligibility of the item for issue to the customer concerned.

c. STOCK SELECTION CODES. Coded information in rp 65 and 66 of DD Form 1348-1A provide additional instructions concerning stock selection actions.

(1) Code "2C" requires that all available material be issued to fill the requisition but that any deficit will not be backordered if indicated delivery data cannot be met.

(2) Code "2D" requires that the exact quantity requested must be issued if, by issue of unit packs, the total quantity would exceed the quantity requested by more than 5%. In no case will an order be underfilled in order to accommodate issue in unit packs.

(3) Code "2G" is a multiple use code and requires selection of new stocks or stocks having new appearance; selection of latest model and configuration (for electronic tubes); selection of newest stocks only (for photographic film); and selection of stocks of latest expiration date only (for biologicals).

(4) Code "2J" requires issue of the entire quantity requested or issue of none; i.e., "FILL OR KILL."

d. ISSUE OF HAZARDOUS COMMODITIES. Markings on containers, in which hazardous commodities (AEDA: Ammunition, Explosives and other Dangerous Articles) are issued, identify the nature of the material contained therein. Normally, containers of hazardous type commodities will be appropriately labeled, marked, or tagged prior to receipt into storage. When hazardous type materials are repackaged after receipt into store, proper identification marking of the containers will be done. This action will ensure that hazardous commodities will be issued from the storage to the custody of the packing function and properly and visually identified for its hazardous nature. Since item identification by proper shipping (article) name does not appear on DD Form 1348-1A when prepared by activities with Electrical Accounting Machine (EAM) systems, assistance must be provided to ensure that hazardous type commodities will receive proper handling throughout the issue, packing, and shipping functions. When hazardous commodities are consigned to off-station activities, the issuing storekeeper will designate on DD Form 1348-1A the DOT (Department of Transportation) label.

e. SHIPMENT. Policy for labeling for transportation of AEDA is provided in the Military Traffic Management Regulation (MTMR), Chapter 216 (AR-355/AFM 75-2/MCOP 4600.14/DSAR 4500.3/NAVSUPINST 4600.70. Specific information for shipping ammunition and explosives is provided in the Navy Transportation Safety Handbook, NAVSEA OP 2165. Procedures and responsibilities for shipment of AEDA in the Defense Transportation System (DTS) are defined in MILSTAMP Chapter 8 (DoD Regulation 4500.32R). Information needed for shipment by Military Airlift is provided in the Joint Publication: AFM 71-4, TM 38-250, NAVSUP Pub 505, MCO P4030.19, DSAM 4145.3. The above requirements apply only when material is shipped in the DTS, by Military Airlift, or by commercial transportation.

f. ANNOTATING ITEM DESCRIPTIONS. On material issues from bulk storage, if the item can be shipped without processing through packing (except for stenciling, weighing and/or strapping) the issuing storeman annotates the noun name and the primary descriptive adjective, if any, in Block 17 of DD Form 1348-1A. If it's hazardous, the proper shipping (article) name and dangerous articles classification will also be annotated on DD Form 1348-1A. No notation is made when the material is destined for local delivery or customer pickup (whenever shipping and transportation are not involved). The proper shipping (article) name and dangerous articles classification must be shown, but storage personnel will identify an item description if it's not readily available. This information is required by shipping personnel in handling and documentation of out-going shipments and by receiving personnel in checking and identifying incoming material. Chapter 211 of the MTMR provides instructions for determining the proper freight description; freight classification is in NAVSUP Pub 454/MCO P4610.10A/AR 55-353/AFM 75-33/DSAH 4540.1, Freight Descriptions and Suffixes.

7. DOCUMENTATION AND DISPOSITION OF DOCUMENTS AND MATERIAL. After selection of stock has been made, the stock selector will initial and date the DD Form 1348-1A. Document and material disposition follows:

- a. For International Logistics Program (ILP) documents, identified with B, D, K, P, or T in rp 30, the second and third copies of the original DD Form 1348-1A is attached to the material.
- b. For other than ILP issues, one copy of DD Form 1348-1A is attached to the material.
- c. The remaining copies of DD Form 1348-1A with the shipping label attached, when employed, will be forwarded with the material to the appropriate packing area: i.e., rough packing line for local delivery or to normal packing lines. This may be determined from the in-the-clear shipping address on the document, shipping label attached to DD Form 1348-1A, or local delivery or customer pickup if these words are annotated thereon.

8. WAREHOUSE REFUSALS. When the total quantity indicated on DD Form 1348-1A cannot be issued for any reason, annotate the document with the phrase "Warehouse Refusal" and return all copies of the document to the stock control function for adjustment. When only partial quantities can be issued consistent with the requirements of subpar. 2c above, extract one copy of DD Form 1348-1A from the set and annotate with the phrase **Warehouse Refusal** and indicate in the quantity blocks the amount that was not issued; for ILP transactions, recognizable by a B, D, K, P or T in rp 30, the last copy of DD Form 1348-1A must be used. On remaining copies change the quantity appearing in the top line of DD Form 1348-1A, rp 25-29, to indicate the amount actually issued. Forward the material to the appropriate packing area with the remaining copies of DD Form 1348-1A and forward the one copy annotated **Warehouse Refusal** to stock control for adjustment action.

9. UNIT PACK OVERISSUES. When the quantity issued exceeds the quantity invoiced, the issuing storeman will change the quantity on DD Form 1348-1A to indicate the quantity issued. In no case may the excess quantity issued be greater than 5% of the quantity invoiced. One copy of DD Form 1348-1A will be extracted from the set and annotated with the phrase "Overissue." Forward the material to the packing area with the copies of DD Form 1348-1A and forward the one copy annotated "Overissue" to stock control for adjustment action.

PART D: PACKING OF MATERIAL**SECTION I: FORWARDING TO ULTIMATE CONSIGNEE BY REGULAR OR AIR
PARCEL POST,****07200 GENERAL**

Depending on the local organization, the parcel post packing function may be assigned either to the traffic function or to the material function. Regardless of organizational location, the following procedures will apply.

07210 PACKING AND DISTRIBUTION OF DD FORM 1348-1A

1. RECEIPT OF MATERIAL ON PACKING LINE. The material will be received. (packaged or unpackaged) with the documentation indicated in the following subpars.

a. Six copies of DD Form 1348-1A or five copies if the issue action resulted in a warehouse refusal or an overissue. In the event the DD Form 1348-1A was prepared by a manual record activity, a shipping label may not be attached to the document. In such instances, the packer will apply the address of the final consignee activity as indicated in-the-clear in Block 27 of DD Form 1348-1A. The mailing address to be used will be obtained from the DoD Activity Address Directory, DoD 4000.25-6-M. Supplies will not be addressed to department heads within a command or component of a command; however, supplies intended for a specific component of a command, other than ships, will be identified by marking the material for the attention of that component immediately following the address (use the clear address if provided); or the code designee contained in Block 4 on DD Form 1348-1A. Electrical Accounting Machine (EAM) activities will attach parcel post labels to DD Form 1348-1A, prior to release of the document by the storage function and its arrival at the mailing function station.

b. One copy of DD Form 1348-1A attached to the material as an item identification tag.

2. PACKING.

a. Material with an identification tag or DD 1348-1A attached to the item will be packed in accordance with prescribed packing procedures for material involved. If multiple items are being shipped in a single container, such as a "triwall," each item will be in its own container and a copy of DD Form 1348-1A will be attached to each item inside the individual container. When Not Ready For Issue (NRFI) repairables are being packed, the 1348-Is must remain attached to the items until they are inducted for repair.

b. Since the basic purpose of the "key document" procedure is to enable the Government to process claims against commercial carriers, "key documentation" of consolidated line item packs, shipped via parcel post or local delivery by Government trucks (noncommercial) serves no purpose and will not be required.

c. The packed material with copies of DD Form(s) 1348-1A with mailing labels attached, if provided, will be forwarded to the mailing function.

07215 LABELING AND DISTRIBUTION OF DD FORM 1348-1A

1. RECEIPT OF PACKAGES IN MAILING FUNCTION. The packed material with five or six copies of DD Form(s) 1348-1A with mailing label attached will be received. In the event a mailing label has not been provided, the provisions of subpar. 07235.1a will be followed to provide a shipping label.

2. LABELING AND DISTRIBUTION. Labeling and document distribution will be as follows:

a. Affix a mailing label to the outside of the container. If a multiple item pack, dispose of the mailing labels attached to other DD Forms 1348-1A.

b. Detach the last two copies of DD Form(s) 1348-1A and destroy as they are not required for parcel post type shipments applicable to this subsection.

c. Write the date mailed in Block ___ of DD Form 1348-1A and either letter "G" or "H," dependent on whether shipment is made by rail parcel post or air parcel post, in Block ___, and register number if applicable.

d. Place three copies of DD Form 1348-1A applicable to each item in a waterproof envelope and attach to the outside of container as outside packing copies. If the container is not large enough for such attachment, all of the shipping copies will be placed inside the container. For narcotic registered mail shipments, consignee copies will be forwarded separately by mail.

e. Forward packed material to the outgoing parcel post function.

f. Forward the remaining copy of DD Form(s) 1348-1A to issue control.

**SECTION II: PACKING OF MATERIAL FOR FORWARDING TO ULTIMATE
CONSIGNEE BY METHODS OTHER THAN PARCEL POST (EXCLUDING FOREIGN
MILITARY SALES AND GRANT AID REQUIREMENTS)**

**07220 PACKING, STENCILING AND DISTRIBUTION OF RELEASE/RECEIPT
DOCUMENT**

1. GENERAL. The material will be received with the following documentation:

a. Six copies of DD Form 1348-1A, or five copies if the issue action resulted in a warehouse refusal or an overissue. A shipping label will be attached to the top of first copy if an in-the-clear address has not been printed on the document.

b. One copy of DD Form 1348-1A attached to the item as an item identification tag.

2. DETERMINING TYPE OF PACK. The destination indicated in-the-clear on either the document or shipping label or the document identifier code appearing in rp 3 in the top line of DD Form 1348-1A will assist the packer in determining the type of pack required. Either a 1, 2, 3, 4 or 5 appearing in rp 3 indicates the material is for overseas shipment. Any alpha code appearing in rp 3 indicates the material is for domestic shipment. The material, with identification tag attached, will be packed in accordance with prescribed packing methods for the material involved. The type of container will be entered in Block 18; the number of containers will be entered in Block 19; the total weight will be entered in Block 20 and the total cube in Block 21. When various items are packed together, and if material is to be shipped by commercial carrier, the "key" DD Form 1348-1A will have the following statement either stamped or written in Block 27: 1/

"Key Document"

In such instance,. all documents, other than the "Key Document" will cross- reference the "key document" number by having the following phrase either stamped or written in Block 27: 1/

"Packed with Document No. ____ "

The document number on DD Form 1348-1A consists of data appearing at the top of the DD Form 1348-1A in rp 30-44 inclusive. Normally, packing information and dimensions of excess size will be shown on DD Form 1348-1A. However, a Packing List (NAVSUP Form 225) will be used as a recapitulation document when DD Form 1348-1A is not considered satisfactory for listing containers of varying sizes and weights and/or when multiple issues or shipments are unitized or consolidated in SEACONS.

3. STENCILING AND DISTRIBUTION. The container will be stenciled or otherwise marked with the shipping address appearing in-the-clear on the document or on the key shipping label, if provided. Any shipping labels attached to the other DD Forms 1348-1A will be destroyed. Three copies of DD Form 1348-1A, applicable to each item, will be placed in a waterproof envelope and attached to the outside of container as outside packing copies. The remaining copies of DD Form 1348-1A with the material will be forwarded to the appropriate shipping function. Since overseas shipments assigned Priorities 1 through 8 are automatically considered for airlift, documents and material will be routed directed to the air booking function.

1/ When Block AA contains other data, the wording "Key Document" or "Packed with Document No." may be entered in Block DD or EE.

SECTION III: PACKING OF MATERIAL FOR FOREIGN MILITARY SALES AND GRANT AID REQUIREMENTS**07225 GENERAL**

Material issues for the Foreign Military Sales and Grant Aid Programs will be made on Single Line Item Release/Receipt Document (DD Form 1348-1A). Prior to receipt of material and applicable DD Form 1348-1A in the packing function, an in-the-clear "Ship to" address will either be typewritten on the document or indicated by a shipping label attached to the document in accordance with procedures outlined in subpar. 07120.2. Material will be received in the packing function accompanied by an original and a duplicate set of DD Form 1348-1A for FMS and an original set only for Grant Aid issues. (The Grant Aid set and the FMS original set will be used identically; the duplicate set for FMS will remain intact and ultimately will be forwarded to the customer by mail.) One copy may have been used if a partial warehouse refusal occurred; two copies of the original set will be attached to the material as an item identification tag. The remaining copies will be used for packing and shipping documentation and distribution. Grant Aid documents will contain a B, D, K, P or T in rp 30 and an alpha Y in rp 45; they can be easily distinguished by the letters GT AID printed in Block S of the document. Foreign Military Sales documents will contain a B, D, K, P or T in rp 30 and an alpha other than Y in rp 45; they can be easily distinguished by the letters FMS printed in Block S of the document.

07230 PACKING OF MATERIAL FOR FORWARDING BY REGULAR OR AIR PARCEL POST**1. MILITARY SALES.**

a. The material will be received accompanied by two sets of DD Form 1348-1A, a duplicate set and five or six copies of the original set; i.e., two copies attached to the item as an identification tag and the remaining copies for packing and shipping documentation and distribution. If a partial warehouse refusal occurred, a copy of the original set will have been forwarded to stock control and only three copies will be available for packing and shipping documentation; otherwise four copies will be available.

b. The material will be packed, with identification tag attached, in accordance with prescribed packing procedures for the material involved and, in addition, material should be packed individually for each country (rp 31-32) by customer service designator code in cc 45, customer within country code or numeric 0 (rp 33) and freight forwarder code (rp 47 or 46-47 for Canada) within the same case number (rp 48-50).

c. DD Form 1348-1A will be initialed and dated in Block 4; the type of container will be entered in Block 18, the shipping container number in which the item is packed and the total number of containers in the shipment (see MIL-STD 129) in Block 19, the total weight in Block 20 and the total cube in Block 21.

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EXAMPLE: Block 5 data entry would be 7/12 if the item was packed in container 7 of a 12 container shipment. When an item is shipped in more than one container of a shipment, the container numbers and number of containers will be entered in Block 5 as: 3, 5, 7/12; container numbers 3, 5 and 7 of a twelve container shipment.

- d. When various items are packed together, the "key" DD Form 1348-1A will have the following statement either stamped or typed in Block 27:

"Key Document"

In such instances, all documents, other than the "key document", shall cross- reference the "key document" number by having the following phrase either stamped or written in Block AA:

"Packed with Document No.____"

The document number of DD Form 1348-1A consists of data appearing at the top of the document in rp 30-44, inclusive. In addition, for Military Sales, rp 45-50.

- e. The packed material with the remaining four copies of DD Form 1348-1A, if available, from the original set plus the duplicate set; with the mailing labels attached, if provided, will be forwarded to the mailing function.

2. GRANT AID. Material for Grant Aid will be received accompanied by five or six copies of DD Form 1348-1A; i.e., two copies attached to the item as an identification tag and the remaining copies for packing and shipping documentation and distribution. If a partial warehouse refusal occurred, one copy of DD Form 1348-1A will have been forwarded to stock control and only three copies will be available for packing and shipping documentation; otherwise four copies will be available. The procedures outlined in subpar. 1 applicable to the packing and documentation for Military Sales will be followed except the material will be packed individually by Customer within Country Code, rp33, or 33-34 for Vietnam; Within Country Code, rp 31-32. In addition, it should be noted that material for Navy MAP (Service Code P) and Marine Corps MAP (Service Code K) should never be packed together even though the destination may be the same.

07235 LABELING AND DISTRIBUTION OF RELEASE/RECEIPT DOCUMENT, DD FORM 1348-1A FOR REGULAR AND AIR PARCEL POST SHIPMENTS**1. FOREIGN MILITARY SALES.**

a. The packed material with the duplicate set of DD Form 1348-1A, plus four copies of the original set, or three copies if a partial warehouse refusal occurred, and a mailing label attached will be received in the mailing function. If a mailing label has not been provided, the one digit freight forwarder code in rp 46 (or two digit code for Canada in rp 46-47) of DD Form 1348-1A will be converted to an address by reference to the MAPAD. The mailing label must contain the document number (rp 30-44) and the FMS case number (rp 48-50). If an "XX" is printed in rp 46-47, refer to the MAP country code in rp 31-32 (see Appendix 11) and then to the customer within country and place of discharge code in rp 33 (see the MAPAD to obtain the consignment information). If other than an "XX" is printed in rp 46-47 and rp 33 contains other than a numeric 0, the customer within country MAPAC, constructed in accordance with the MAPAD, will be included on the label as "mark for" information. The mailing label must indicate the document number (rp 30-44) and the case number (rp 48-50).

b. LABELING. The mailing label for the "key" document will be affixed to the outside of the container and any mailing labels attached to other DD Forms 1348-1A will be destroyed.

c. The date mailed will be written in Block 12 of DD Form 1348-1A and either Parcel Post Mode "G" or Air Parcel Post Mode "H" will be written in Block 14, together with the register number if applicable.

d. The number 4 copy of the original DD Form 1348-1A applicable to each item will be placed in a waterproof envelope and attached to the outside of the container as the outside packing copy. If the package is too small to attach a copy, put the package inside a larger box and attach the copy to the outside.

e. The number 5 copy of original DD Form 1348-1A, together with the duplicate set, will be forwarded, via airmail if to other than a CONUS recipient of close proximity, to the address designated by the entry in rp 46-47 as follows:

(1) If an "XX" is entered in rp 46-47, forward directly to the consignee specified by rp 33 as related to the country code in rp 31-32.

(2) If an "XW" is entered in rp 46-47, forward directly to the staging area or assembly point.

(3) If other than an "XX" or "XW" is entered in rp 46-47, forward directly to the address designated to receive the release/receipt document copies.

(4) Refer to the MAPAD, DoD 4000.25-8-M, for address selection. (For Germany, forward to the Notice of Availability recipient.)

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f. The first annotated copy of the original DD Form 1348-1A will be forwarded to issue control as "proof of shipment." The date mailed will be entered in Block 12; the Mode of Shipment Code, "G" for surface parcel post or "H" for air parcel post, will be entered in Block 14 together with the register number if applicable. For material shipments for the Federal Republic of Germany (Code GY or GW in rp 31-32), enter Notice of Availability Number in Block 14.

g. If a partial warehouse refusal occurred, one copy will be returned to stock control; otherwise it may be used internally as desired.

h. The packed and labeled material are forwarded to the out-going parcel post function.

2. GRANT AID PROGRAM.

a. The packed material with four copies, or three copies if a partial warehouse refusal occurred, of DD Form 1348-1A will be received with the mailing label attached. If a mailing label has not been attached, the address can be obtained by reference to rp 31-32 (see Appendix 11) and then rp 33 (see the MAPAD, DoD 4000.25-8-M). The mailing label must contain the document number (rp 30-44).

b. The mailing label for the key document will be affixed to the outside of the container and any mailing labels attached to other DD Forms 1348-1A, if provided, will be destroyed.

c. The date mailed will be written in Block 12 of DD Form 1348-1A and either "Parcel Post Mode G" or "Air Parcel Post Mode H" in Block 14, as well as the register number if applicable.

d. One copy of DD Form 1348-1A, applicable to each item, will be placed in a waterproof envelope and attached to the outside of the container as the outside packing copy. If the container is too small for such attachment, the copy will be placed inside the container.

e. The first annotated copy of DD Form 1348-1A will be forwarded to issue control as "proof of shipment." The date mailed will be entered in Block 12; the Mode of Shipment Code "G" for surface parcel post or "H" for air parcel post, will be entered in Block 14 together with the register number if applicable.

f. If a partial warehouse refusal occurred, a copy will have been returned to stock control; otherwise the copy may be used internally as desired.

g. One copy will be forwarded to the consignee of the material via airmail.

h. The packed material will be forwarded to the outgoing parcel post function.

07240 PACKING AND MARKING FOR OTHER THAN PARCEL POST SHIPMENTS

1. GENERAL.

a. ILP material will be received with the following documentation:

(1) FMS material will be received accompanied by two sets of DD Form 1348-1A, a duplicate and five or six copies of the original set; i.e., two copies attached to the item as an item identification tag and the remaining copies for packing and shipping documentation and distribution. If a partial warehouse refusal occurred, another copy of the original set will have been forwarded to stock control and only three copies will be available for packing and shipping documentation; otherwise four copies will be available.

(2) Grant Aid material will be received with five or six copies of DD Form 1348-1A; i.e., two copies attached to the item as an item identification tag and the remaining copies for packing and shipping documentation and distribution. If a partial warehouse refusal occurred, a copy of DD Form 1348-1A will have been forwarded to stock control and only three copies will be available for shipping and packing documentation; otherwise four copies will be available.

b. All ILP material will be packed with the identification tag attached in appropriate containers for overseas shipment. DD Form 1348-1A will be initialed and dated in Block 22; the type of container will be entered in Block 18; the shipping container number in which the item is packed and the total number of containers in the shipment (see MIL-STD 129) in Block 19; the total weight in Block 20; the total cube in Block 21. When various items are packed together, the key DD Form 1348-1A will have the following statement either stamped or written in Block 27:

"Key Document"

In such instances all documents, other than the "Key Document" will cross- reference the key document number by having the following phrase either stamped or written in Block AA:

Packed with Document No. _____

When Block AA contains other data, the wording "Key Document" or "Packed with Document No." may be entered in Block DD or EE. The document number on 00 Form 1348-1A consists of data appearing at the top of the document in rp 30-44 and for Military Sales rp 30-50.

EXAMPLE: The Block 5 data entry would be 7/12 if the item was packed in container 7 of a 12 container shipment. When an item is shipped in more than one container of a shipment, the container numbers and number of containers will be entered in Block 5 as: 3, 5, 7/12; container numbers 3, 5 and 7 of a twelve container shipment.

c. Normally, packing information and dimensions of excess size will be shown on DD Form 1348-1A. However, a Packing List (NAVSUP Form 225) will be used as a recapitulation document when DD Form 1348-1A is not considered satisfactory for listing containers of varying sizes or weights and/or when multiple issues or shipments are unitized or consolidated in SEACONS.

2. MILITARY SALES.

a. Foreign military sales material will be packed separately for each country (rp 31-32) by customer service designator code in rp 45, customer within country code or numeric 0 (rp 33) and freight forwarder code (rp 47 or 46-47 for Canada) within the same case number (rp 48-50). The containers will be stenciled or marked with the shipping address appearing in-the-clear on the document or on the key shipping label, if provided. Any shipping labels attached to other DD Forms 1348-1A will be destroyed. Additionally, if other than an "XX" is printed in rp 46-47 and rp 33 contains other than a numeric 0, the customer within country address indicated in MAPAD, DoD 4000.25-8-M, for rp 33 entry will be included on the container as "Mark for" information. It is essential that the markings include the document number (rp 30-44) and the case number (rp 48, 49 and 50). Other markings will be done in accordance with MIL-STD 129, as amended.

Note: Some countries have elected to reflect a code other than zero (0) in rp 33 without providing its clear text meaning. When clear text information is not contained in the MAPAD, "Mark for" information will not be entered on the outside of the container.

b. Except where the U.S. is providing the transportation to the recipient country, Military sales material is generally addressed to a freight forwarder whose code appears in rp 47, or 46-47 for Canada, and no other consignment information is necessary. In the case of ammunition and explosives, however, it is necessary for the issuing activity to apply the entire consignment information provided by the basic requisition.

c. If an "XX" is printed in rp 46-47, refer to the MAP country code in rp 31-32 (see Appendix 11) and then to the customer within country/place of discharge code in rp 33 (see MAPAD, DoD 4000.25-8-M) to obtain consignment information.

d. One copy of DD Form 1348-1A applicable to each item will be placed in a waterproof envelope and attached to the outside of the number 1 shipping container as the outside packing copy.

e. The remaining copies of DD Form 1348-1A (i.e., the original and two copies of the original set if available, together with the duplicate set) will be temporarily attached to the outside of the number 1 shipping container and the packed material will be forwarded to the appropriate shipping function.

3. GRANT AID. Grant Aid material will be packed separately for Navy (Service Code P) and Marine Corps (Service Code K) requirements. The containers will be stenciled or marked with the shipping address appearing in-the-clear on the document or on the key shipping label, if provided. Any shipping labels attached to other DD Forms 1348-1A will be destroyed. It is essential that the markings include the document number (rp 30-44). Other markings will be in accordance with MIL-STD 129, as amended.

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- a. One copy of DD Form 1348-1A applicable to each item will be placed in a waterproof envelope and attached to the outside of the number 1 shipping container as the outside packing copy.
- b. The remaining copies of DD Form 1348-1A (i.e., the original and two copies) will be temporarily attached to the outside of the number 1 shipping container and the packed material will be forwarded to the appropriate shipping function.

PART E: DELIVERY AND SHIPPING PROCEDURES

SECTION I:

DELIVERY AND SHIPMENT OF MATERIAL OTHER THAN MILITARY ASSISTANCE PROGRAM

07023 DELIVERY/CUSTOMER PICKUP

1. GENERAL. Delivery personnel will receive material rough packed with six copies (or five copies if the issue action resulted in a partial warehouse refusal or overissue) of DD Form 1348-1A. Detailed instructions for document/material processing are in NAVSUP Manual.
2. DOCUMENTATION. The delivery function will use DD Form 1348-1A to deliver direct turnover for customer pickup.
3. DELIVERY SCHEDULE FILE. A scheduling file is established in the delivery section. Files will be maintained with an advance document from the stock control or the machine records function, or upon receipt of documents concurrent with the receipt of material for delivery.

07310 SHIPPING

1. RECEIPT OF CONTAINERS. Three copies of DD Form 1348-1A are temporarily attached to the outside of the first container (original and two copies will have been attached to the number 1 container by the packers in a waterproof envelope). Container marks and quantity will be verified against the data on DD Form 1348-1A. Three copies of DD Form 1348-1A, with hold area location annotated, are delivered to the shipping office.
2. SHIPPING SCHEDULE FILE. When received from the shipping floor, document consolidation. Documents covering material for shipment to Army Overseas Agencies may be identified by either "AB," "AF" or "AN" printed in Block ___ of DD Form 1348-1A. On the scheduled shipping date, all documents for a common destination will be removed from the file. DD Form 1348-1A is used for freight classification and for preparation of the bill of lading/transportation control and movement document.

3. DOCUMENTATION. At Electrical Accounting Machine (EAM) activities, the item nomenclature will not be printed on DD Form 1348-1A. Shipping material handling personnel will enter such information, when available from case markings, if not previously entered on the document by the storage function. For inland rail and truck transportation classification, reference can generally be made to SMOA/ICP cross-reference listings to determine the NMFC/UFC number. The freight classification description, when required, may be obtained from carrier classification tariffs, DTMS master classification card files, or the Freight Classification Guide, DSAH 4540.1. For ocean/air transportation item description purposes, the nomenclature required by NAVSUP Publication 422 will be used. Hazardous label data will be entered on DD Form 1348-1A before releasing material from storage and will be perpetuated on transportation documents. For clear identification of the consignee, an address label will have been attached to DD Form 1348-1A before the receipt of the documents in shipping.

4. MARKING OF SHIPMENT. All shipping containers will be marked in accordance with Military Standard Marking for Shipment and Storage Publication (MIL-STD 129), as amended, and as further augmented by NAVSUP Manual, Volume II, and instructions contained herein. Consignment instructions contained in NAVSUP Manual, Volume V, will be observed.

5. DOCUMENT DISTRIBUTION. Distribution of the individual copies of DD Form 1348-1A will be as follows:

a. Original and two copies with the material in a waterproof envelope attached to box #1. A method of attaching the documents to fiberboard boxes is as follows:

(1) DD FORM 1348-1a is placed in an envelope. The unsealed envelope is placed between the inner and outer box flaps, when practicable, with the envelope flap extending down the side of the box. A portion of the envelope flap shall extend from beneath the tape used to seal the carton. The words MATERIAL RELEASE DOCUMENTS HERE shall be stamped on the closure tape immediately over the envelope.

b. One copy of each DD Form 1348-1A will generally be forwarded to the consignee with the government bill of lading or its counterpart. However, in the case of transshipments, or when the TCMD is the basic movement document, DD Forms 1348-1A will be identified with the transportation control number and mailed directly to the ultimate consignee.

c. One copy (proof of delivery or shipment) will be returned to issue control. The date shipped, bill of lading number and mode of shipment code (refer to Appendix 5) will be entered in the key document. This copy will also furnish data for preparation of the shipment detail card for Army activities overseas by issue control or machine records as appropriate.

d. One copy, if available, will be retained by shipping as an attachment to the retained copy of the GBL/TCMD.

6. TRANSPORTATION ACCOUNT CODES TACS. The appropriate TAC code (refer to NAVSUP Manual, Volume V, for TAC codes and applications) can be determined as follows from data printed in certain blocks of DD Form 1348-1A:

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Packaging and Transportation

a. SPECIAL PROJECTS, PROGRAMS AND MATERIAL. TACs assigned special projects, programs and material which are listed in NAVSUP Manual, Volume V, have assignment precedence, regardless of entries in other TAC information blocks. Tacos for such shipments will be determined from the code contained in the project block (rp 57-59) (refer to Appendix 6 for code identification).

b. NAVY COGNIZANCE SYMBOL MATERIAL. The primary factor for determining the TAC is the cognizance symbol shown in the distribution block (rp 55 and 56). For requisitions from Navy field activities, the cognizance symbol is sufficient to determine the appropriate TAC. For requisitions, redistribution orders, or supply directives which reflect a command or ICP in the routing identifier block (rp 67-69), the TAC will be determined by the command or ICP identity in conjunction with the cognizance symbol. Appendix 7 lists routing identifier codes.

c. NONCOGNIZANCE MATERIAL. For material not identified by a cognizance symbol, the command reflected in the routing identifier block (rp 67-69) will serve to determine the appropriate TAC. If the entry is absent in the routing identifier block, identification of the requisitioning activity (rp 30- 35) is required, since the management command of the requisitioning activity is the basis used to determine the appropriate TAC. Requisitioning activity codes are identified in the DoD Activity Address Directory (DoD 4000.25-6-M).

d. GOVERNMENT FURNISHED MATERIAL AND EQUIPMENT. TACs for Government Furnished Material (GFM) or Government Furnished Equipment (GFE) will be determined in the manner prescribed for noncognizance material whether or not a cognizance symbol is shown. Such material or equipment is identified by the entry in the project block (rp 57-59), "GF2" for GFE or "GF3" for GFM.

e. DEFENSE LOGISTICS AGENCY CONNECTED SHIPMENTS. TACs listed in NAVSUP Manual, Volume V, for DLA material apply only to DLA material shipped via QUICKTRANS or DLA material moving from CONUS ports to Navy overseas activities. DLA material will be identified by the Federal Activity Submission Code shown in the Distribution Block (rp 55 and 56). These codes identify DLA ownership by responsible Defense Logistics Centers and are listed in NAVSUP Publication 285, Chapter 5, Part B, Section 3.

SECTION II: SHIPMENT OF ILP (FOREIGN MILITARY SALES AND GRANT AID) MATERIAL

07320 SHIPPING PROCEDURES

1. GENERAL. ILP material, packed for overseas shipment and marked in accordance with the preceding paragraphs, is delivered to the shipping function with the following:

a. GRANT AID MATERIAL. One copy of DD Form 1348-1A is attached to the number 1 container in a waterproof envelope and, in addition, the original and two copies (if no partial warehouse refusal occurred) are temporarily attached to the outside of the first container for shipping documentation purposes.

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b. FOREIGN MILITARY SALES. One copy of DD Form 1348-1A is attached to the number 1 container in a waterproof envelope and, in addition, the original and two copies (if no partial warehouse refusal occurred) of the original set of DD Form 1348-1A together with the duplicate set will be temporarily attached to the outside of the first container for shipping documentation purposes.

2. DETERMINATION OF CONSIGNEE. If the material is delivered to the shipping function with inadequate consignment information, this data can be determined as follows:

a. GRANT AID MATERIAL. Refer to the MAP country code in rp 31-32 (see Appendix 11) and then to the customer within country and place of discharge code in rp 33 (see MAPAD, DoD 4000.25-8-M) for consignment information.

b. FOREIGN MILITARY SALES MATERIAL. Refer to the freight forwarder code (rp 47) as related to the customer service designator code (rp 45) and select the appropriate address for the applicable country code (rp 31-32) from the MAPAD. If an "XX" appears in rp 46-47, refer to the customer within country code (rp 33) as related to the customer service designator code (rp 45) and select the address for the applicable country code (rp 31-32) from the MAPAD.

3. Shipments of ILP material are made directly to the consignee or freight forwarder in accordance with NAVSUP Manual, Volume V. Shipment of explosives, hazardous material, classified material and publications is done as follows:

a. FMS shipments of hazardous material such as explosives, pyrotechnics and ammunition (except small arms ammunition) are shipped to and accepted by the foreign government FOB vessel at the U.S. port of exit of a DoD facility, or Free Along-Side (FAS) vessel where loaded at anchorage. In certain instances, shipment is made to destination, especially if classified, via Military Sealift Command (MSC) vessel.

b. For Grant Aid, shipments of ammunition are made via the NAVSEA- CARCOR of the appropriate ammunition handling port.

c. Shipments of classified material must be done in such a manner as to ensure that an audit trail is maintained. For classified material, the shipper is required to have the correct Navy sponsor certification of release authority prior to delivery. Inventory manager's responsibility for directing issue of classified material will provide this certification together with specific shipping instructions.

d. Shipments of classified publications and documents are made as follows:

(1) For Grant Aid, shipments are made to the Embassy or Military Representative unless a customer country specifically requests that shipment be made to a U.S. Military Representative or Defense Attaché. In the latter instance, shipment is made using the Military Post Office address cited in the Standard Navy Distribution List (SNDL) and following postal regulations and/or State Department Pouch Room procedures for classified matter.

(2) For FMS, shipments are made to the freight forwarder only if the freight forwarder is authorized to receive classified material per the MAPAD (DoD 5105.38-D). If none exists, shipment is made to a shipper authorized to accept classified material or to the country's Embassy or Military Attaché in CONUS.

(3) If the foreign customer has requested that shipment not be made to its Embassy, shipment is made to NSC Norfolk, Virginia or NSC Oakland, California. Material is held at these activities and the customer will be requested to make arrangements for transfer of title and delivery.

4. OFFER OF FOREIGN MILITARY SALES MATERIAL PRIOR TO SHIPMENT RELEASE. Notice of Availability is provided on Foreign Military Sales shipments prior to shipment release in accordance with the provisions of Chapter 8, Part D, of this manual. Notices of Availability for shipments for the Federal Republic of Germany are forwarded for key punching and transceiving to the German Military Representative (one copy of the duplicate set may be used for this purpose).

5. DISTRIBUTION OF DOCUMENTS. Distribution of the documents remaining after the material has been packed and packing copies attached is done as follows:

a. GRANT AID

(1) One copy of each DD Form 1348-1A is forwarded via airmail with an advance copy of the government bill of lading, or its counter- part, directly to the MAAG/Mission's release/receipt document recipient designated in the MAPAD, DoD 4000.25-8-M.

(2) The original of each DD Form 1348-1A (proof of shipment) is returned to issue control.

(3) One copy of each DD Form 1348-1A, if available, may be used internally.

b. FOREIGN MILITARY SALES

(1) One copy of the original set and the entire duplicate set of DD Form 1348-1A with an advance copy of the TCMD or bill of lading is forwarded via airmail, if not to a CONUS recipient of close proximity, to the address designated by the entry in rp 46-47 as follows:

(a) If an "XX" is entered in rp 46-47, forward directly to the release receipt document recipient specified by the customer within country code (rp 33) as related to the service designator code (rp 45) for the country code in rp 31-32 (see DoD 4000.25-8-M).

(b) If an "XW" is entered in rp 46-47, forward directly to the staging area or assembly point.

(c) If other than an "XX" or "XW" is entered in rp 46-47, forward to the release receipt document recipient indicated in MAPAD, DoD 5105.38-D.

(d) The second set of the DD Form 1348-1A for FMS is distributed as follows:

6. SHIPPING UNITS REQUIRING NOTICE OF AVAILABILITY. Three copies of the second set will be used in providing the original delayed or amended Notice of Availability as required. The copies remaining in the second set upon shipment release will be distributed in accordance with par. 2 below.

7. SHIPPING UNITS NOT REQUIRING NOTICE OF AVAILABILITY. The second set of DD Form 1348-1A, together with the advance copy from the original set, will be forwarded via airmail, if not to a CONUS recipient of close proximity, to the release/receipt document recipient designated for the consignee in MAPAD, DoD 4000.25-8-M.

a. The original of each DD Form 1348-1A (proof of shipment) will be returned to issue control.

(1) If a Notice of Availability was prepared, enter the FMS notice number (see par. 08060.2).

(2) If no Notice of Availability was prepared, enter the bill of lading number: enter the transportation control number only for those shipments moving within the Defense Transportation System.

(3) One copy of each DD Form 1348-1A, if available, may be used internally.

8. SHIPMENT OF MILITARY SALES MATERIAL FROM SUPPLY ACTIVITIES LOCATED OUTSIDE CONTINENTAL UNITED STATES. Regardless of the freight forwarder code, activities outside the Continental U.S. will not ship material under the Military Sales Program without first obtaining definite consignment instructions from NAVILCO. Contacting NAVILCO is necessary to prevent automatic delivery of material to a freight forwarder in the U.S. for subsequent overseas shipment.

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ASHORE SUPPLY PROCEDURES

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CHAPTER 8 - SPECIAL PROGRAMS

PART A: FOREIGN MILITARY SALES (FMS)

Section I: INTRODUCTION

08000 BACKGROUND

1. GENERAL. The provisions of the Military Standard Requisitioning and Issue Procedures (MILSTRIP) manual, DoD 4000.25-1-M, apply to all FMS phases. This chapter has instructions for preparing FMS requisitions, and ordering and issuing FMS material. Other chapters of the Pub-485 Volume III cover additional procedures for requisitioning and issuing of FMS material.

08005 FMS REQUISITIONING

1. GENERAL. FMS requisitions vary (from standard Navy requisitions) in the construction of the requisition number and the supplementary address field. The requisition is also transmitted differently to the source of supply.

2. REQUISITION PREPARATION, SUBMISSION, AND CHANNELS.

a. Requisitions are prepared and transmitted by FMS countries, SAOs, or by U.S. Services to NAVICP-OF using the Department of Defense (DoD) MILSTRIP requisition format. NAVICP-OF will transmit FMS requisitions to the applicable Inventory Control Point (ICP) in the DoD MILSTRIP requisition format.

b. Under a Cooperative Logistics Support Arrangement (CLSSA), NAVICP-OF will enter a Cooperative Logistics Program Support Code (CLPSC) (Appendix 17D) in rp 72 of applicable requisitions and passing orders. The CLPSC advises the "programmed" or "non-programmed" CLSSA status of the requisition to an ICP.

c. Certain FMS requisitions have a quantity restriction of 25 shipment units to prevent the assignment of non-MILSTRIP Transportation Control Numbers (TCNs) that occur when the shipment units exceed 25. Non-MILSTRIP TCNs contribute to the loss of shipment identity. Each Service specifies items of equipment where the quantity restriction applies. Generally, these items are equipment such as wheeled or tracked vehicles - or other items when a unit of issue of one each constitutes a single shipment unit.

d. In addition to forwarding FMS requisitions to a U.S. supply source and providing supply status to customer countries. NAVICP-OF performs program control and accounting functions. It's essential for NAVICP-OF to receive copies of all documents pertaining to the requisition, issue, and shipment of FMS material and services.

08015 REQUISITION FOLLOW-UPS

1. GENERAL. Although NAVICP-OF automatically follow-ups on FMS requisitions, customer countries, country representatives (CRs), or Security Assistance Organizations (SAOs) may follow-up with NAVICP-OF when neither material nor status has been received within allotted times. Follow-up in MILSTRIP format and include the last status received. NAVICP-OF replies to follow-ups based on the Management Information System for International Logistics (MISIL) They use MILSTRIP DI "AS2" to advise material has shipped and DI "AE2" to advise of actions other than shipment. Grant Aid requisitions status use DI Code AE1/AS1.

08020 REQUISITION MODIFICATIONS

1. GENERAL. Countries, CRs, and SAOs may submit MILSTRIP modifier documents for only the requisition elements listed below. Use DI "AM1" to modify an NSN, "AM4" a NIICN (Navy Item Control Number), and "AM5" a part number and Commercial and Government Entity.

2. Offer/Release Code (rp 46).
3. Freight Forwarder Code (rp 47).
4. Project Code (rp 57-59).
5. Priority Designator (rp 60-61).
6. Required Delivery Date (RDD) (rp 62-64).
7. Advice Code (rp 65-66).

08025 REQUISITION CANCELLATIONS

1. SUBMISSION. Customer countries and SAOs may submit cancellation requests to NAVICP-OF in the standard MILSTRIP message format. NAVICP-OF passes the cancellation request to the last known source of supply. Mass cancellation requests are processed IAW the MILSTRIP Manual, DoD 4000.25-1-M

2. PROCESSING. The same rules governing cancellation of requisitions for U.S. Navy (See MILSTRIP Manual, DoD 4000.25-1-M) requisitions apply to FMS cancellation requests except in the following situations:

a. FMS requisitions will not be canceled after material is released from the storage activity In response to an "AC" (cancellation) document, the storage activity will forward status to NAVICP-OF using DI "AU2".

b. By contacting the commercial vendor, the supply source can advise NAVICP-OF of cancellation costs. NAVICP-OF advises the customer and, if cancellation is still applies, notifies the supply source to continue.

c. FMS Requisitions aren't subject to cancellation under the MOV Program.

Section II: FMS REQUISITION PROCEDURES**08100 FMS REQUISITIONING**

1. GENERAL. Part B provides procedures for issuing material from the U.S. Navy supply system to fill FMS requirements. Cooperative Logistics Supply Support Arrangement (CLSSA). Cooperative logistics support is provided to a foreign government, through its investment in the DoD logistics systems, similar to U.S. forces. However, support is not provided if it impairs combat readiness of U.S. forces. Therefore CLSSA support is not provided, until after the expiration of the lead time necessary to augment U.S. stocks. CLSSA requisitions received before the expiration of required lead time may be filled from source of supply stocks only if stock levels don't drop below the reorder point. These are "non-programmed" requirements. If stock balances are not available to fill a "non-programmed" requirement, ICPs will either initiate procurement action or, if due-ins are sufficient to fill the requisitions, backorder the requirement. NAVICP-OF will input CLPSC "2" in rp 72 (Appendix 17D) of "non-programmed" CLSSA requisitions and passing orders. FMSO II requisitions and passing orders are received after expiration of the lead time required to augment supply stocks. Those requisitions are processed similarly to U.S. demands and are "programmed" requirements. NAVICP-OF will input CLPSC "1" in rp 72 of "programmed" requisitions. A CLPSC "A" in rp 72 is a Navy code only and says that the item is a "programmed" repairable item and the quantity may be excessive. If rp 72 is blank when the requisition is received by the ICP, the ICP processes the requisition as a "non-programmed" requirement.

08105 FMS MILSTRIP REQUISITION CONSTRUCTION

1. GENERAL. FMS MILSTRIP requisitions use codes peculiar to FMS. The codes are listed in the MAPAD and the 485 appendices.

2. FMS DOCUMENT NUMBER CONSTRUCTION.

rp 30: service designator code (Appendix 11). Represents the U.S. Military Service responsible for administering the FMS case. For the Navy, this code is "P".

rp 31-32: country or international organization code of the requisitioner (Appendix 20).

rp 33: customer-within-country code. This code corresponds to the codes in rp 46-47 of the supplementary address field, described in paragraph 08105.5 below. When a customer-within-country code is not applicable, a numeric zero (0) will be entered.

rp 34: delivery term code (DTC) (Appendix 21). The DTC defines the U.S. Government and the customer country's responsibility for material movement within the transportation cycle.

rp 35: type of assistance code (Appendix 22). This code identifies the payment arrangements of an FMS case.

3. FMS SUPPLEMENTARY ADDRESS CONSTRUCTION.

rp 45: service code of the customer country's requisitioning service (Appendix 11).

rp 46: offer/release code. Description are provided in paragraph 08007.4 below.

rp 47: FF code. Designates the first destination of the shipment.

rp 48-50: FMS case designator. All correspondence will always include the FMS case designator as part of the identification data.

4. OFFER/RELEASE CODE.

a. The offer/release code is found in rp 46 of the issue and receipt/release documents. It helps determine the method of shipment release and is obtained from block (19) of the DD Form 1513. Offer/release codes do not apply to requisitions for Canada, since Canada does not use FFs. Both rp 46 and 47 are used to denote shipment address for Canada.

b. The offer/release codes are:

<u>Code</u>	<u>Explanation</u>
A	Shipments are to be released automatically to the shipping activity without advance notice to a predesignated address.
Y	Material is prepared for shipment and a NOA sent to the TAC 3 MAPAD address, advising that material will be shipped 15 days after the date of the NOA unless alternate release instructions are received.
Z	Material is prepared for shipment and a NOA is sent to the TAC 3 MAPAD address, advising that specific shipping instructions are required before the shipment can be released.
X	Material is moving overseas within the Defense Transportation System (DTS) and NOA procedures do not apply. An "X" in rp 46 indicated that the U.S. Navy will sponsor the shipment to an in-country address (in which case the FF code in rp 47 must contain an "X" and a customer-within-country code must be entered in rp 33) or to an assembly point or staging area as indicated by clear-text instructions or exception requisitions (in which case rp 47 must contain a "W").

5. CUSTOMER-WITHIN-COUNTRY CODE AND FREIGHT FORWARDER CODE.

a. The customer-within-country code ("mark for" code) is found in rp 33 of the DD Form 1348 and DD Form 1348-1A. The FF code ("ship to" code) is found in rp 47 and may designate a destination other than a FF. Clear-text address for codes in rp 33 and rp 47 are provided in the MAPAD. A MAPAC is assigned for each FF code. The specific address to which material and documents will be shipped is identified by the TAC within the MAPAC. Structure of the MAPAC is explained in detail in Section A of the MAPAD (DoD 4000.25-8-M). TACs are described in Section A, paragraph 7.

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b. When shipment is to be made to a FF or to a point designated by the FF in response to a NOA, a code other than "X" or "W" will be entered in rp 47. For those countries that have elected not to publish clear-text addresses for rp 33 codes, there will be no "mark for" address. Supply and shipping activities will perpetuate the rp 33 code in all related documents. When a customer-within-country code is not applicable, a numeric zero (0) will be entered.

c. When shipment is to be made to an assembly point or staging area, Code "W" will be entered in rp 47 and a clear-text address will be conveyed in an exception requisition. If Rp 33 is required, it will designate the "mark for" address.

d. When shipment is to be made to an address within the customer country, code "X" will be entered in rp 47 and the in-country "ship to" address will now be the address listed in the MAPAD for the code in rp 33.

08110 NAVICP-OF REQUISITION PROCESSING

1. CUSTOMER COUNTRY PREPARED FMS REQUISITIONS. NAVICP-OF will receive, edit, record, and process FMS customer requisitions and establish control records for reports and reimbursement. Requisitions will be transmitted to the responsible source of supply in the prescribed MILSTRIP format.

2. U.S. NAVY PREPARED FMS REQUISITIONS. NAVICP-OF will receive, record, and process U.S. Navy prepared FMS requisitions. NAVICP-OF will send supply status to applicable FMS customers using DI "AEA", "AED", OR "AEE" (Appendix 4) in rp 1-3 and status code "BU" in rp 65-66; the ESD in rp 70-73 may be left blank. The latest available unit price will be input in rp 74-80; however this is an optional entry.

08115 WORK REQUESTS AND PROJECT ORDERS

1. WORK REQUEST AND PROJECT ORDER ACTIONS. Supply activities enter the following on work requests and project orders to fill the requirements of FMS requisitions:

"Ship to current MAPAD (DoD 4000.25-8-M) address for MAPAC. If assistance is needed, contact NAVICP-OF, Code P753111, DSN 442-4142. FMS_, Case___, Project Order/Work Request Number N__88WR or PO___. Document number [PAA (Property Accounting Activity) and Cost Code Field], (Reqn Nr) and Project Code__ should be referenced on charges submitted to Naval Inventory Control Point - International Programs Directorate (NAVICP-OF) Philadelphia, PA, 19111. Charges should be reported by the 15th calendar day of each accounting period on NAVCOMPT Form 2277 IAW NAVCOMPT Manual, Volume III. Following NAVCOMPT Manual, Volume III, submit an original and one copy of NAVCOMPT Form 2193 quarterly for the first three quarters and monthly for the last quarter to NAVICP-OF. The report should reach NAVICP-OF by the 20th calendar day following the report Period. Upon completing, submit NAVCOMPT Form 2277 marked "Final Report". An acceptance copy of this request must be forwarded to NAVICP-OF (Code 753), Philadelphia, PA 19111 within five (5) days after receipt of this order.

2. WORK REQUEST AND PROJECT ORDER DOCUMENT NUMBER ESTABLISHMENT.

When establishing a document number for NAVCOMPT 2275, enter the following in this order:

- a. The letter "N".
- b. The five (5) position Unit Identification Code (UIC).
- c. The two (2) position Fiscal Year (FY).
- d. "WR" for work request or "PO" for project order
- e. The five (5) position serial number

3. WORK REQUEST OR PROJECT ORDER DATA. The following data is cited on work requests and project orders; the data is perpetuated on all documentation. Shipping activities forward appropriate copies of shipping documents to NAVICP-OF.

- a. Requisition Document Number [PAA (Property Accounting Activity) & Cost Code Field].
- b. Project Order:
- c. Supplementary Address:
- d. Quantity:
- e. U/I (Unit of Issue):
- f. PDLI (Program Directive Line Item):
- g. RSN (Record Serial Number):

08120 SPECIAL PROCESSING

1. GENERAL. Often, due to the nature of the material, special processing of requisitions or handling of material is needed. Refer to the Defense Traffic Management Regulation (DTMR) NAVSUP Instruction 4600.70 for full details on the following instances.

2. AMMUNITION AND EXPLOSIVES.

a. Safety precautions prohibit delivering ammunition directly to an FF in a port in city. Therefore ammunition and explosives are delivered to a DoD controlled ammunition handling port for pick up by a ship or aircraft bound for the customer country. The shipper must send a NOA, regardless of the offer/release code in rp 46 of the requisition, and file an Export Traffic Release (ETR) with the Military Traffic Management Command (MTMC). MTMC provides final consignment instructions. The shipper must perpetuate these consignment instructions on all documents and apply the proper markings on all shipment containers IAW the Federal Acquisition Regulation (FAR) and Military Standard (MILSTD) 129.

b. Routing of the ammunition or explosives to the appropriate DoD controlled ammunition handling port is done according to DTMR. Military Standard Transportation and Movement Procedures (DoD 4500.32-R) require the shipper to send a report of shipment (reship) to the consignee (DoD controlled port) and a copy to the sponsoring service focal point. For Navy, the focal point is NAVICP-OF, Code P753111, 700 Robbins Ave., Philadelphia, PA 19111.

c. An "M" in rp 29 of the quantity field indicates a quantity in thousands. For example, if the quantity is 1,500,000 rounds, "1500M" is put in the requisition quantity field.

→ 3. CLASSIFIED MATERIAL. A NOA must be forwarded to the Country Representative (CR) designated in the Military Assistance Program Address Directory (MAPAD), Section B, Page 1. When the CR reply to the NOA directs shipment of classified freight or classified publication/document shipments to a freight forwarder (FF), the shipper must locate - in the Type of Address Code (TAC) of the MAPAD – either an A, B, C, or D:

- A - Authorizes shipment to FF of classified material (small parcels) up to secret
- B - Authorizes shipment to FF of classified freight up to secret
- C - Authorizes shipment to FF of classified material (small parcels) up to confidential
- D - Authorizes shipment to FF of classified freight up to confidential

“B” or “D” indicates that the freight forwarder location is cleared by the Defense Security Service (DSS) to receive classified surface and or air freight shipments material. If the letters A, B, C or D are not present in the MAPAD, the shipper may ship the classified material to the country’s embassy or attaché’ in CONUS.

4. HAZARDOUS MATERIAL. According to DTM, when a shipping activity determines that the shipment includes dangerous and hazardous material, they must send a NOA to the FF regardless of the entry in the offer/release code in requisition rp 46. The shipment will be held pending receipt of release and shipping instructions for the FF.

5. SENSITIVE MATERIAL. Sensitive material (e.g., firearms) may not be sent to a FF. The shipper must follow the procedures in paragraph 08120.2 above.

08125 MILSTRIP SUPPLY AND SHIPMENT STATUS

1. MILSTRIP STATUS. NAVICP-OF receives, edits, and processes all FMS MILSTRIP status. Supply activities will provide 100 percent supply, contract, and shipment status to NAVICP-OF (designated by an alpha distribution code in rp 54 and a zero (0) media and status code in rp 7.) Additionally, NAVICP-OF captures system MILSTRIP status resulting in unauthorized cancellations or rejection of requirements and, when possible, takes necessary action to achieve supply support. FMS customers receive MILSTRIP status from NAVICP-OF. MILSTRIP status transaction formats are in Appendices B1-29 (contact), B1-35 (supply), and B1-48 (shipment).

- 2. Status from NAVICP-OF to the MAPAD country recipient is transmitted via DAAS.
 - a. Status to FMS customers is sent to the MAPAD TAC 4 country status recipient.
 - b. Status to Grant Aid customers is sent to the MAPAD TAC 3 country/in-country security assistance organization (SAO) status recipient.

3. NON-NAVY FMS TRANSACTIONS. For non U.S. Navy FMS transactions (e.g. U.S. Air Force) status may be provided directly to CRs. A media and status code other than zero (0) will be entered in rp 7.

08130 REPORT OF DISCREPANCY (ROD)

1. GENERAL. DoD policy requires quality control over procedures and operations governing shipment and documentation. Because of the large volume of FMS transactions and world-wide distribution of the material, discrepancies do occur (see note). DoD Joint Regulation DLAR 4140.60 and NAVSUPINST 4440.179 provide guidance for reporting and processing discrepancy reports for FMS shipments. The following describes the discrepancies and the responsibilities of the U.S. Government.

2. TYPES OF DISCREPANCIES. Four (4) types of discrepancies that occur are billing, shipment, packaging, and financial:

a. Billing discrepancies occur when material is delivered as ordered with proper documentation, but the delivery is incorrectly reported, omitted, or duplicated on delivery listings or transaction statements.

b. Shipment discrepancies are categorized as carrier and shipper discrepancies.

(1) Carrier discrepancies involve damages to, or shortages of, packaged or loose freight that occurs after the material is transferred to the custody of the carrier. These discrepancies will document that the material quantity or condition received is different from the quantity or condition reflected on the bill of lading or freight bill.

(2) Shipper discrepancies occur when there is no visible difference between the shipment (as it is received) and the description of the shipment (quantity and condition) as shown on the bill of lading or freight bill. However, when the container is opened, shortages, overages, concealed damages that occurred prior to shipment, or quality deficiencies are discovered within the shipping container.

c. Packaging discrepancies are any unsatisfactory conditions that result from improper packing or marking.

d. Financial discrepancies occur when administrative charges or accessorial surcharges (e.g. packing, crating, and handling) to the customer are not correct.

3. ROD PROCEDURES. The form used to report discrepancies is the Standard Form (SF) 364, Report of Discrepancy (ROD).

a. RODs for billing discrepancies, shipper discrepancies, and packaging discrepancies will be submitted to:

Commanding Officer
Naval Inventory Control Point
International Programs Directorate (NAVICP-OF)
ATTN: Code P75311
700 Robbins Avenue
Philadelphia, PA 19111

- b. RODs for financial discrepancies will be submitted to:

Director-Security Assistance Accounting Center (SAAC)
ATTN: Code FSXQ
Denver, CO 80279-5000

c. NAVICP-OF will forward shipper and packaging RODs to applicable supply activities, who will try to resolve the discrepancy and reply to NAVICP-OF within 45 days. If it isn't resolved in 45 days, the supply activity sends an interim report to NAVICP-OF.

(1) Carrier discrepancy claims will be resolved between the customer country and the commercial carrier involved.

(2) Resolution of RODs normally require at least 180 days from NAVICP-OF's receipt of the ROD - to final resolution.

- d. NAVICP-OF reports the action taken on a specific ROD to the customer.

4. REQUESTS FOR RECONSIDERATION. The FMS customer can ask NAVICP-OF to reconsider the final status for a reported supply discrepancy. They must submit these requests to NAVICP-OF within 90 calendar days from the SF 364 reply date. When the customer asks for reconsideration, NAVICP-OF will add a suffix code "R" to the report number (item 2, SF 364) on the ROD and send the ROD, together with all applicable correspondence and information, to the DoD or General Services Administration (GSA) for reconsideration. The DoD ICP or GSA will review all correspondence and information relating to the ROD and initiate corrective action, if required.

5. CONTESTING RECONSIDERATION DECISIONS. FMS customers may contest the DoD ICP or GSA decision on a request for reconsideration by sending a complaint to NAVICP-OF within 90 calendar days from the date of NAVICP-OF's reply to the request for reconsideration. The customer country must explain why the DoD ICP or GSA decision is not satisfactory. When the customer country contests a DoD ICP or GSA decision, NAVICP-OF will add a suffix code "C" to the report number (item 2, SF 364). The suffix code will be used in all references to the complaint. The complaint and all supporting documentation will be reviewed by the applicable Military Service/Agency focal point. For the Navy, it is NAVSUP Code 073 who will make a final decision and ensure that any required action is taken. DoD Joint Regulation DLAR 4140.60 and NAVSUPINST 4440.179 provide guidance for reporting and processing discrepancy reports against FMS shipments.

Section III: FMS SHIPPING PROCEDURES

08200 GENERAL

Each activity shipping FMS material must comply with the guidance in this section and with any deviations prescribed in a valid DD Form 1513. Shipments are prepared and moved according to the DTC in requisition rp 34 and with the offer/release code in rp 46. The shipper must refer requests to deviate from the DTC to NAVICP-OF, Code P753111. The shipper must never change the original requisition number, not even to reflect an authorized deviation.

08205 THREE KEYS TO MATERIAL DELIVERY

1. LETTER OF OFFER AND ACCEPTANCE (LOA), DD FORM 1513. The LOA cites the case terms negotiated with the customer country. This document constitutes a legal contract between the U.S. Navy and the foreign country.
2. Military Assistance Program Address Directory (MAPAD), DoD 4000.25-8-M The MAPAD converts a requisition's address codes to in-the-clear "ship to" and "mark for" addresses.
3. MILSTRIP REQUISITIONS. MILSTRIP requisitions identify the material needed and show the negotiated terms of the LOA in coded data as follows:

<u>Requisition</u>	<u>DD Form 1513</u>	
<u>Record</u>	<u>Entry</u>	<u>Block</u>
<u>Position(s)</u>		
30	Code for the U.S. Service or Agency that administers the FMS Case.	(5) and (6)
31-32	Customer Country Code	(3) first two positions)
33	Customer-Within-Country(also called "mark for") Code	(33)
34	Delivery Term Code	(20)
35	Type of Assistance Code	(27)
45	FMS Customer's Service Code	(1) and (35)
46	Offer/Release Code	(19)
47	Freight Forwarder Code	(34)
48-50	FMS Case Designator	(3) (last three positions)

08210 ADDRESS DETERMINATION**1. MILITARY ASSISTANCE PROGRAM ADDRESS DIRECTORY (MAPAD).**

a. The MAPAD, DoD 4000.25-8-M, is the directory of clear-text addresses and shipping instructions used in the movement of material and distribution of documents for FMS shipments. Formal changes are published once a month and inserted in the directory. A new directory is published every two years. The MAPAD is divided into three sections: Section A contains general and administrative information and instructions, Section B contains FMS addresses, and Section C contains MAP addresses. Sections B and C are maintained in sequence by country/activity code. Within each country/activity code, the addresses are sequenced by MAPAC. Within each MAPAC, addresses are sequenced by Type Address Code (TAC). When applicable, within each TAC, addresses are sequenced by Special Instruction Indicator (SII).

b. Initial requests from U.S. Navy activities for the MAPAD must be submitted on MILSTRIP to the Naval Publications and Forms Center (NPFC), Code 105, 700 Robbins Ave., Philadelphia, PA 19111. NPFC will then issue the basic directory with changes.

c. Changes to distribution of the MAPAD (i.e., additions or deletions from distribution list or changes in number of copies) should be forwarded to Commander, NAVICP Code P761 together with justification. Requests from CONUS activities for additions to the distribution list should specify if message expedite (address) changes are required.

d. Message expedite (address) changes are issued by the Defense Automatic Addressing System Officer (DAASO) to CONUS activities involved in the FMS program. Address Indicating Group (AIG) 7775 facilitates message transmission of expedite changes to message change recipients. New users of the MAPAD must contact NAVSUP to get added to AIG 7775.

e. MAPAC. A MAPAC is constructed from selected MILSTRIP codes, then matched to an identical MAPAC (for the applicable country) found in Section B or C of the MAPAD. Two MAPACs must be constructed for each FMS requisition, to obtain both "ship to" and "mark for" clear-text addresses. Only one MAPAC is required for MAP shipments. The construction of MAPACs - and selection of correct MAPACs from Section B or C - is explained in Section A, Chapter 2 (for FMS) or Chapter 3 (for MAP) of the MAPAD. When a matching entry or appropriate TAC for a "ship to" constructed MAPAC cannot be located in the MAPAD, contact NAVICP-OF (Code P753111) for instruction.

f. TAC. The TAC is the key to the selection of the correct clear-text address identified by the MAPAC. Since a MAPAC may identify various addresses, the TAC is the vehicle that selects the correct address within the MAPAC. TACs may be lettered A, B, or M or numbered 1 through 9. Each letter or number represents a type of shipping action. For example, TAC 1 means that the corresponding address should receive unclassified small parcel shipments; TAC 2 means that the corresponding address will be used as the "mark for" address on all freight shipments. TACs for each applicable country are located in Sections B (FMS) and C (MAP) of the MAPAD.

g. An SII provided for an address located in Sections B and C means special instructions are required for a shipment to that address. SIIs may be lettered A, C, D, E, or S. These codes are explained in Section A, Appendix A3 of the MAPAD. When SII, C, or S is present, the shipper must refer to the first page of the listing (in Section B or C) for that country.

h. Foreign countries using FFs (in different geographic areas) may want the material forwarded to the FF nearest the supply activity issuing the material. In this case, to obtain the clear-text addressee from Section B or C, the MAPAD will contain SIIs that require reference to the first pages of the country's address listing.

i. Activities preparing FMS requisitions must ensure that "ship to" addresses are published in the MAPAD before requisitions enter the supply system. Addresses should be deleted only after all shipments are completed. When shipping activities are unable to select or identify an address, contact NAVICP-OF (Code P753111) for assistance.

2. ADDRESS PROBLEMS. Transportation problems during delivery of FMS material to a FF should be referred to the shipping Transportation Management Officer (TMO), if the material is moving on a Government Bill of Lading (GBL) or prepaid small parcel carrier. Problems with the carrier in transportation of material - moving on a collect Commercial Bill of Lading (CBL) - should be resolved between the carrier and the FF. Problems with documentation, misdirected shipments, etc., must be referred to the shipping TMO. Unresolved problems between the FF and the TMO should be fully documented and sent to NAVICP-OF (Code P753111).

08215 SHIPMENT CONSOLIDATION AND MARKING

1. CONSOLIDATION. FMS requisitions may be packed together in a single shipment unit when they all have identical entries in the following release/receipt document fields: rp 31-33, rp 45-50, and rp 57-59. For other than Canadian shipments, if the shipment is by small parcel mode, codes "A", "Y", and "Z" in rp 46 may be considered equal to each other for consolidation purposes. For information on shipments to Canada, see paragraph 08220.2d below.

a. Consolidated shipments must be clearly marked "MULTIPACK" on the outside of the container.

b. For placement of shipping documents and additional requirements, see MILSTD 129.

c. When shelf-life items are included in a consolidated shipment, the exterior of the consolidated shipping container is marked under the multipack requirements of MILSTD 129.

d. The conditions below limit consolidation

(1) Compatibility of physical characteristics of items with other items in the same shipment unit.

(2) Explosives or hazardous articles aren't consolidated with other hazardous or non-hazardous items.

(3) Aircraft, missiles, engines, and large (excess dimension) spares or assemblies for any item of equipment subject to special handling or construction or requiring movement as a single shipment unit will not be consolidated with other line items.

(4) Radioactive or magnetic material isn't consolidated together or with other material.

2. ADDRESS MARKING. The method of designating "ship to" "mark for" addresses in requisitions is described in paragraph 08210.1e above. Clear-text addresses for "ship to" and "mark for" codes are obtained from the MAPAD.

08220 OFFER/RELEASE CODE ACTIONS

1. GENERAL. Offer/release codes are located in rp 46 of the release/receipt document and help determine the method of shipment release. Descriptions of the offer/release codes are found in paragraph 08105.4.b above.

2. OFFER/RELEASE CODE EXCEPTIONS. The procedures for releasing shipments of FMS material from storage activities normally depend on the offer/release code in rp 46. However, there are exceptions to this rule.

a. SMALL PARCEL SHIPMENT.

(1) Shipment is released automatically without a NOA, regardless of entry in rp 46.

(2) Structure a "ship to" MAPAC using rp 45, 31-32, two zeros (00) and rp 47. Select the TAC "1/A" address from the MAPAD.

(3) Mail release/receipt document to the MAPAD TAC "5" address for the "ship to" MAPAD.

(4) If rp 33 is not zero (0), structure a "mark for" MAPAC using requisition rp 45, 31-32, 33, and two zeros (00). Select the TAC "M" address from the MAPAD.

b. SHIPMENTS REQUIRING EXPORT RELEASE. When an export release is required, the shipping activity submits a request for export release to the proper clearance authority [see DoD 4500.32R, Military Standard Transportation and Movement Procedures (MILSTAMP), Appendix J (Clearance Authorities and Booking Officer)]. A NOA is furnished to the FF or CR to indicate that an export release has been requested. The export release provided by the clearance authority includes shipping instructions coordinated with the FF or CR.

c. HAZARDOUS AND SENSITIVE MATERIAL SHIPMENTS. When the shipping activity determines that the shipment includes material that is hazardous, sensitive, or otherwise requires a high degree of protection or control within CONUS, but does not require an export release, a NOA will be furnished to the FF or CR regardless of the entry in rp 46. The shipment will be held pending receipt of release and shipping instructions from the FF or CR.

d. SHIPMENT TO CANADA. Shipment address codes for Canadian shipments are in rp 46-47. The following procedures apply:

(1) Structure a "ship to" MAPAC using rp 45, 31-32, 33, one zero (0) and rp 46-47. Select TAC "1/A" or "1/B", as applicable, from the MAPAD.

(2) Mail the release/receipt documents to the applicable MAPAD TAC "5" or "TAC 6" address for the "ship to" address.

(3) No "mark for" address applies unless included in the requisition remarks.

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- e. **OUTSIZE SHIPMENT.** Shipments over six feet long or over six feet wide or six feet high require a NOA.
- f. **CLASSIFIED SHIPMENTS.** A NOA always must be sent to the CR or FF prior to shipping classified material. Material will be held pending response for the CR or FF identifying where to send the shipment and the person(s) designated to receive it.

08225 NOTICE OF AVAILABILITY (NOA) NOT REQUIRED

1. **OFFER/RELEASE CODE "A".** The shipment is released automatically, without a NOA to a pre-designated address.

2. **OFFER/RELEASE CODE "X".**

a. Code "X" usually means that the shipment will move overseas within the DTS.

b. An "X" in rp 46 and a "W" in rp 47 indicated that the shipment will move, within the DTS, to an assemble point or staging area as indicated by clear-text instructions. Staging activity mechanized control transaction formats are listed in Appendix 29.

(1) Ship to the consignee address designated in the requisition remarks block.

(2) Mail release/receipt documents to the consignee.

(3) Determine a "mark for" address [if rp 33 is not zero (0)] by structuring a MAPAC from rp 45, 31-32, 33 and adding two zeros (00); select the TAC "M" address from the MAPAD.

- c. An "X" in rp 46 and an "X" in rp 47 indicate that the shipment will move, by DTS, to an in-country destination. Rp 33 must contain a destination-within-country code.

(1) Determine a "ship to" address by structuring a "ship to" MAPAC using rp 45, 31-32, 33 and two zeros (00) and selecting the TAC "1/A,C" or "2/B,D" address from the MAPAD.

(2) Mail release/receipt document to the applicable MAPAD TAC "5" or TAC "6" address for the "ship to" MAPAC.

(3) No "mark for" address applies unless included in the requisition remarks block.

→ **08230 NOTICE OF AVAILABILITY (NOA) REQUIRED**

1. **CLASSIFIED SHIPMENTS.** Classified shipments always require a NOA regardless of the entry in rp 46. The NOA will be forwarded to the CR identified in the MAPAD. The classified shipment will be held until shipping instructions are received.

2. **OFFER/RELEASE CODE "Y".** When offer/release code "Y" is in requisition rp 46, a NOA must be sent to the FF or CR prior to release of shipment. If an NOA reply is not received within 15 days from the NOA transmission date, the shipment unit will be released using the following procedures:

a. Structure a "ship to" MAPAC using requisition rp 45, 31-32, two zeros (00), and rp 47. Select the TAC 1 or 2 - A, B, C, D - MAPAD address.

b. Mail release/receipt documentation to the MAPAD TAC "6" address for the "ship to" MAPAC.

c. If rp 33 is not zero (0), structure a "mark for" MAPAC using requisition rp 45, 31-32, 33, and two zeros (00). Select the TAC "M" address from the MAPAD.

3. OFFER/RELEASE CODE "Z". When offer/release code "Z" is in requisition rp 46, a NOA must be sent prior to shipment release. The shipment will be held pending receipt of release and shipping instructions from the FF or CR. If instructions are not received within 15 calendar days after the NOA date, the following actions apply.

a. A duplicate of the NOA will be prepared with the same NOA notice number. For the mechanized NOA DI "ADI" or "ADR" will be used for the NOA key card and DI "AD2" for the supporting NOA detail cards. For the manual NOA, a new manual DD Form 1348-5 will be prepared and a second copy of the second set of DD Forms 1348-1A for each requisition in the shipment unit will be attached. The duplicate manual NOA will indicate that the reason for shipment delay is the CR's or FF's failure to furnish release and shipping instructions.

b. The delay NOA will be sent to the contact point designated in the MAPAD (Section B, Page 1, FMS Country Addresses) to receive delay NOAs. If a reply is still not received, forward a message request for assistance to NAVICP-OF, Code P753111.

4. OFFER/RELEASE CODES "Y" AND "Z" RELEASE ACTIONS.

a. When a reply to the NOA indicates shipment to a FF or CR (or to a point designated by a FF or CR), a specific code other than "X" or "W" will be entered in rp 47. The "ship to" address will be the address in the MAPAD for the FF or CR, or the address provided in the NOA response. The "mark for" address will be listed in the MAPAD for the code in rp 33. No "mark for" addresses apply for countries that elected not to publish clear-text addresses for codes in rp 33. Supply and shipping activities will use the code in rp 33 for the "mark for" address. When a customer-within-country code is not applicable, a zero (0) will be entered.

b. If the NOA response authorizes release to the MAPAD address, the following applies.

(1) Structure a "ship to" MAPAC using rp 45, 31-32, two zeros (00), and rp 47. Select the TAC "2/B" address from the MAPAD.

(2) Mail release/receipt documentation to the MAPAD TAC "6" address for the "ship to" MAPAC.

(3) If rp is not zero (0), structure a "mark for" MAPAC using rp 45, 31-32, 33, and two zeros (00). Select the TAC "M" address from the MAPAD.

c. When the NOA response provides an alternate consignee, the following applies.

(1) For the "ship to" address, consign the shipment unit to the in-the-clear address provided in the NOA reply.

(2) Structure a "ship to" MAPAC using rp 45, 31-32, two zeros (0), and rp 47.

(3) Mail the release/receipt documentation to the TAC "6" address in the MAPAD.

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(4) If rp 33 is not zero (0), structure a "mark for" MAPAC using rp 45, 31-32, 33, and two zeros (00). Select the TAC "M" address from the MAPAD.

d. When the NOA response says that the customer will pick up the shipment, the following applies.

(1) No "ship to" address applies.

(2) Structure a "ship to" MAPAC using rp 45, 31-32 two zeros (0), and rp 47. Mail release/receipt documentation to the TAC 6" address in the MAPAD.

(3) If rp 33 is not zero (0), structure a "mark for" MAPAC using rp 45, 31-32, 33, and two zeros (00). Select the TAC "M" address from the MAPAD.

e. When shipment is to be made to an address within the customer country, an "X" will be entered in rp 47. The in-country "ship to" address will be the MAPAD address corresponding to the code in rp 33.

08235 NOA NOTICE NUMBER

1. GENERAL. The NOA notice number (rp 61-77) is the same as the control number [Transportation Control Number (TCN), Government Bill of Lading (GBL),etc.] assigned to the shipment. When the shipment is made on a Commercial Bill of Lading (CBL), and a TCN is not assigned, the shipping activity will assign an NOA notice number. This number will be prefixed by the consignor's activity address code (AAC) beginning in rp 61 of the FMS NOA notice number field. Unused Rps to the right will remain blank. The NOA notice number will be cited on the release/receipt documentation and included in the shipment serial number of the MILSTRIP shipment status document (DI" AS _") sent to the customer country.

08240 MECHANIZED NOA, DD FORM 1348

1. GENERAL. Except for classified shipments and small parcel shipments, the mechanized NOA is provided to customers upon request for FMS shipments with offer/release codes "Y" or "Z" and for shipments requiring an export release. (All NOAs for the Federal Republic of Germany are mechanized and sent to the German Military Representative.) The mechanized NOA consists of the mechanized NOA key document and the mechanized NOA detail document(s).

2. MECHANIZED NOA KEY DOCUMENT. The NOA key document contains shipment unit information and accompanies the NOA detail document(s). When export release instructions have not been received within 15 days of the NOA date, a follow-up is be made to the clearance authority. A delay NOA key document is not prepared for the FF or CR. When offer/release code "Z". applies and release instructions have not been received within 15 calendar days of the NOA date, a delay NOA key document and the delay NOA detail documents(s) is sent. When release instructions for offer/release code "Y" have not been received within 15 days, release the shipment to the correct address in the MAPAD. Formats for NOA documents are described in Appendix 28.

3. MECHANIZED NOA DETAIL DOCUMENT. The NOA detail document will contain information for each line item in the shipment unit. When offer/release code "Z" applies and release instructions have not been received within 15 calendar days of the NOA date, a delay NOA key document and a NOA detail document for each initial NOA detail document that accompanied the initial key document will be prepared. The format for NOA detail documents is described in Appendix 28.

08245 MECHANIZED NOA REPLY

1. GENERAL. The mechanized NOA Reply Document will always be used when replying to a mechanized NOA, other than DI "ADR". When replying to a DI "ADR" NOA key document, shipment and delivery instructions will be provided to the clearance authority, which will then reply to the shipping activity. The format for NOA reply documents is described in Appendix 28.

2. MECHANIZED NOA REPLY TRANSMISSION. Shipment release instructions are to be mailed to the activity designated by the routing identifier in rp 4-6 of the NOA documents. Such instructions must reach the shipping activity within 15 days for transactions coded with offer/release code "Y". Otherwise, the shipment will be released automatically to the address contained in the MAPAD.

08250 MANUAL NOA, DD FORM 1348-5

1. GENERAL. The DD Form 1348-5 is used as a manual NOA to advise CRs and FFs with no mechanized capability for processing cards, that material is ready for shipment. The DD Form 1348-5 will serve as a cover document for release/receipt documentation listing the individual line items in a shipment unit. Together, these documents will comprise the original NOA. The data entered on the DD Form 1348-5 describes the shipment unit. The supporting release/receipt documentation provide individual item data.

2. COMPLETION OF DD FORM 1348-5.

a. All blocks of DD Form 1348-5, Notice of Availability/Shipment, from the top of the form to the portion captioned "TO BE COMPLETED BY ADDRESSEE" will be completed by the initiating shipping activities when the shipment units are consolidated. The date the NOA is transmitted will be entered in the block titled "NOTICE OF AVAILABILITY/SHIPMENT". The "Notice Number" block will contain the shipment control number (TCN, GBL, etc.). The remaining blocks are self-explanatory. For single line item shipment units, type pack, pieces, weight, and cube are not mandatory entries on DD Form 1348-5 if they are noted on the accompanying release/receipt documents. Enter weight, cube, and extreme dimensions in whole pounds, cubic feet, and feet respectively. Round to the next whole number.

b. When an export release is required, DD Form 1348-5 will be annotated or stamped in the lower left corner, "EXPORT RELEASE REQUIRED". The shipping activity will also annotate or stamp brief notes applicable to classified, hazardous, dangerous, sensitive, or other material that requires a high degree of protection or control.

c. One copy of the release/receipt document for each requisition within the shipment unit is attached as a group to DD Form 1348-5 to provide the detail backup and complete the NOA.

d. The complete manual NOA is mailed to the NOA recipient specified in the MAPAD. NOAs covering classified shipments are forwarded to the CR. Distribution of DD Form 1348-5 follows:

<u>Number of Copies</u>	<u>Distribution</u>
Original	Retained by the shipping activity pending receipt of shipment release instructions.
Five	Furnished, together with release/receipt document, to the FF or CR address designated in the MAPAD to receive the NOA. Shipment release instructions will be annotated on one copy of the DD Form 1348-5 and returned to the shipping activity. One of the DD Form 1348-5 copy will be retained by the FF or CR.

e. For FMS shipments to Israel, see the MILSTRIP Manual, DoD 4000.25-1-M, Chapter 6.

3. MANUAL NOA REPLY.

a. Replies to manual NOAs are done using two different methods.

(1) When an export release is required, the CR or FF will furnish shipment and delivery instructions to the clearance authority. Instructions to DRs or FFs regarding replies to NOAs will specify coordination with the clearance authority.

(2) When an export release is not required, shipment release instructions will be sent to the shipping activity on one copy of the DD Form 1348-5.

(3) Shipment release instructions will provide for shipment or delivery of material to a single destination by shipment unit. Shipment units identified by shipment unit numbers will not be split by shipping activities to accommodate shipments or deliveries to multiple points. NOA replies require the following minimum data:

(a) the complete name and address of the consignee, except when material will be picked up by the FF or

(b) the date material is to shipped or picked up by the FF or CR or

(c) authorization to release the unit to the "ship to" address in the MAPAD and the date to release it or

(d) the complete name(s) and telephone number(s) of the individual(s) who will be available and authorized to receipt on behalf of the customer country, for the specific classified shipment covered by the NOA advising of the availability of a classified shipment.

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b. Where the shipment does not require an export release, and the shipping activity has determined that there is no requirement for a high degree of protection or control, and offer/release code is "Y", the shipment is released to the FF or CR on the 15th calendar day after the NOA date, unless alternate shipping instructions are received.

c. When an export release is required, the shipment is held pending receipt of release and shipping instructions from the clearance authority. If the instructions are not received within 15 calendar days after the NOA date, a follow-up to the clearance authority is made in lieu of transmitting a duplicate NOA.

d. When the shipping activity has determined that a high degree of protection or control is required, or the offer/release code is "Z", the shipment is held pending receipt of release and shipping instructions from the FF. Should such instructions not be received within 15 calendar days after the NOA date, a duplicate of the NOA will be transmitted to the designated notice recipient, with the same shipment unit number assigned. This duplicate NOA will indicate that the shipment delay is due to the FF's failure to furnish release and shipping instructions. Two copies of the DD Form 1348-5 together with the release/receipt document(s) will constitute the delay NOA.

08255 MILSTRIP STATUS REQUIRED FOR A NOA

When the initial NOA is forwarded to the FF, generate MILSTRIP status to NAVICP-OF (as indicated by the code in rp 54). Enter DI "AE3", MILSTRIP status code "BL" in rp 65-66 and the NOA transmission date in rp 70-73.

08260 MATERIAL MOVEMENT

Material will be packed for overseas shipment and forwarded to the consignee designated in the MILSTRIP requisition. Material shipments will be marked with the shipment destination address, "mark for" address when applicable, requisition number, FMS case designator, and project code. No other marking is required except for ammunition shipments. (See paragraph 08215.2.)

08265 DOCUMENT DISTRIBUTION

1. GENERAL. FMS material shipped from U.S. Government sources of supply will be documented on either a DD Form 1348-1A, DoD Single Line Item Release/Receipt Document, or a DD Form 1348-1A, Issue Release/Receipt Document (IRRD). The IRRD is a bar coded document that will generally be used in place of the 1348-1A.

2. DD FORM 1348-1A DISTRIBUTION.

a. DD Form 1348-1A will be prepared for all FMS requisitions. (Actual copies used, other than the original and the first carbon copy, will be at the option of the individual Service or Agency.)

DD FORM 1348-1A DISTRIBUTION

<u>Number of Copies</u>	<u>Distribution</u>
Original	Supply - retained by the distribution point (shipper).
One copy	Transportation - retained by the distribution point (shipper) (other than the original and first carbon copy)
Two copies	Consignee - inside number 1 shipping container. One copy must be the first carbon copy. When containers are prepackaged, two copies will be inserted with the copy in the envelope on the outside of the container. For consolidated shipments, copies of each DD Form 1348-1A will be attached to the exterior of the shipping container in a waterproof envelope. Individual DD Forms 1348-1A will be attached to each shipment pack within each shipping container.
One copy	Forwarded via priority mail to the activity designated in the MAPAD to receive the document (type address codes 5 and 6).
One copy	If an APL is produced, it is attached to the outside of the shipping container.

b. For shipments requiring Notice of Availability an additional three copies of the release/receipt document are used to provide the original/delay/amended NOA.

3. DD FORM 1348-LA DISTRIBUTION.

a. Nine copies of the DoD IRRD document are prepared for all FMS transactions. Distribution of the nine copies is as follows (actual copies use, other than the original, are at the individual Service or Agency option):

<u>Number of Copies</u>	<u>Distribution</u>
Original	Supply - retained by the distribution point (shipper) after use for picking packing, and item identification.
One Copy	Transportation - retained by distribution point (shipper).
Two Copies	Consignee - inside number 1 shipping container. When containers are prepackaged and selected for shipment IAW the container markings, these copies will be inserted with the copy in the envelope on the outside of the container. On consolidated shipments, these copies will attached to the shipment pack applying to each individual requisition and placed inside the shipping container.
One Copy	Consignee - attached outside of number 1 shipping container.
One Copy	Sent to activity designated in the MAPAD to receive the issue/receipt document.

b. For shipment units not requiring a NOA, three copies will be forwarded, via air mail (except when CONUS recipient is too close to use air mail) to the issue/receipt document address as designated by the entries in rp 33 and 47.

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c. For shipment units requiring a NOA , three copies will be used as the original, delay, or amended NOA, as required.

08270 COUNTRY REJECTION OF THE SHIPMENT UNIT

1. **DUPLICATE SHIPMENT.** When the NOA reply rejects the shipment offer because the shipment unit contains material that constitutes a duplicate shipment, the shipping unit and prepare a new NOA (DI "AD1" and "AD2s" or DI "ADR" and "AD2s"). The rejection must cite the NOA number, FMS case designator, activity which prepared the reply, the in-the-clear address of the activity to receive the reply and the MILSTRIP document numbers constituting the duplicate shipment.

2. **ACTIONS AFTER RECEIPT OF COUNTRY REJECTION.** Upon receipt of the country's rejection of the offer, the rejected material will be returned to stock, a reversal transaction item report will be prepared and submitted to the ICP and a credit summary will be provided to NAVICP-OF. If the rejection advice is received after the shipment release date for the apply; applicable offer/release code and shipment has been done, notify the FF or CR (copy to NAVICP-OF) that shipment has been made and the item (s) cannot be withdrawn. If the rejected material comprised the total shipment unit, no further communication with the country is required.

3. **REJECTED MATERIAL AS PART OF A SHIPMENT UNIT.** If the rejected material comprises a portion of the unshipped shipment unit, the rejected material will be returned to stock. The shipment unit will be repackaged to include the remaining items. The shipping activity will then prepare a new NOA for the newly constituted shipment unit following the procedures in paragraph 08019. For the new NOA, a second copy of the second set of DD Form 1348-1A will be used for each line item remaining in the shipment unit. The second set of DD Form 1348-1A for the withdrawn line items will be destroyed.

08275 DISPOSITION INSTRUCTIONS FOR MISROUTED SHIPMENTS

FFs or CRs in receipt of material shipments misdirected from a Navy shipping activity (or Navy contract) should request disposition instructions form NAVICP-OF, Code P753111 (toll free number 1-800-356-6890). Each request for disposition instructions should include a copy of the release/receipt document or complete information regarding the shipment destination, FMS case designator, stock number or part number and CAGE, document number, shipment control (TCN), CBL, etc.), and the shipping activity. Disposition instructions will be provided to the FF or CR by NAVICP-OF.

08280 RETURN OF DISCREPANT FMS MATERIAL

1. **ENTRIES FOR SF 364.** Discrepancies in FMS shipments are reported on Standard Form (SF) 364, "Report of Discrepancy" (ROD), by the receiving customer. The data entries and procedures for processing RODs are in SECNAVINST 4355.17, Processing Discrepancy Reports Against Foreign Military Sales Shipments.

2. ENTRIES FOR DD FORM 1348-1A. If material is to be returned to U.S. supply system stocks, the customer prepares the DD Form 1348-1A . Send five copies to NAVICP-OF:

RETURN OF DISCREPANT FMS MATERIAL

<u>Field Legend</u>	<u>Record Positions</u>	<u>Entry</u>
Document Identifier	1-3	Leave blank.
Routing Identifier (Originator)	4-6	Leave blank.
Media and Status Code	7	Leave blank.
Stock Number, Part No/CAGE	8-22	NSN or Part Number/CAGE of the item
Unit of Issue	23-24	Unit of issue.
Quantity	25-29	Quantity authorized for return.
Document Number	30-43	Country's doc number off SF 364, Block 8.
Suffix Code	44	Leave blank.
Supplementary Address	45-47	Leave blank.
Case Designator	48-50	Original FMS case material was bought on.
Signal Code	51	Leave blank.
Fund Code	52-53	Leave blank.
Distribution Code	54	Leave blank.
Cognizance Symbol	55-56	Leave blank.
Project Code	57-59	Leave blank.
Priority	60-61	Leave blank.
Required Delivery Date	62-64	Leave blank.
Advice Code	65-66	Leave blank.
Routing Identifier	67-69	Routing identifier of U.S. supply source
Blank	70-73	Leave blank.
Unit Price	74-80	Unit price for the NSN or Part Number (Same as used on the issue document.)

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<u>Data Block</u>	<u>Entry</u>
A	Leave blank.
B	The consignees' account number, name, and address.
C-D	Enter words "Transshipment Point" and account number, name and address of activity designated to receive the transshipped material. If not designated, leave blank.
E	Extended value of the transaction.
F-N	Leave blank.
O	Date of document preparation.
P	Supply condition of material authorized for return.
Q-Y	Leave blank.
1-10	Leave blank.
AA-BB	Enter ROD number from SF 364, Block 2.
Rp-GG	Leave blank.
11-12	Leave blank.
13	Transportation Account Code - Enter "PIII".
14-15	Leave blank.

3. RETURN OF DISCREPANT FMS MATERIAL.

a. Whenever possible, the U.S. Defense Transportation System (DTS) will be used to return discrepant FMS material. The inventory manager for the material provides complete disposition instructions through NAVICP-OF. Generally, the material is moved to the nearest U.S. facility for return to CONUS.

(1) The designated U.S. facility will arrange for transportation through the DTS and will provide copies of the signed shipping document(s) to the U.S. source of supply identified in rp 67-69 and to NAVICP-OF.

(2) The customer sends proof material was turned into a DTS carrier to NAVICP-OF.

b. **MOVEMENT THROUGH OTHER THAN DTS.** When the DTS is used for return of discrepant FMS material, the holding FMS country will arrange for a movement through the FF to the activity designated in DD Form 1348-1A, block 3. CONUS inland shipments will use a collect CBL, convertible to a GBL upon receipt. Reimbursement of transportation charges between the holding FMS country and the FF will be requested by the CR to the U.S. source of supply identified in rp 67-69 of the DD Form 1348-1A.

4. TIME LIMIT TO RETURN FMS DISCREPANT MATERIAL. Regardless transportation used, all shipments of discrepant FMS material must be completed within 180 days of the date of document preparation entered in DD Form 1348-1A, Block 5.

PART B: DAAS PROCEDURES

Section I: INTRODUCTION

08300 GENERAL

1. WHAT IS DAAS?. DAAS is an automated system for routing logistics data traffic; it also provides transaction processing and data information services. To transmit transactions quickly and accurately, DAAS relies on automated communications networks such as Defense Data Network (DDN), DAASC Automated Message Entry System (DAMES), and Streamlined Automated Logistics Transmission Systems (SALTS).

2. HOW IT WORKS. DAAS channels logistics transactions to one of two central geographic points (located in Dayton, Ohio and Tracy, California) without regard to the transaction's content or ultimate destination. To do this, DAAS programmatically examines each transaction it receives, identifies it, and retransmits it to the correct supply address. All this *usually* takes less than two hours.

3. OTHER BUSINESS NEEDS. DAAS can also be expanded to meet your business needs and system capabilities. For example, expansion could mean increasing the range of transactions DAAS processes; or it could be an additional logistic service that you require like measuring how long it takes to process a transaction.

08303 BACKGROUND

1. SCOPE. Any ship or station may **receive** logistic transaction data from DAAS. And many have the capability to transmit data **to** DAAS. How they transmit and receive transaction data **to and from** DAAS (within the Military Standard Systems, i.e., MILSTRIP, MILSTRAP, MILSCAP, MILSBILLS) is covered in this chapter. This chapter provides policy and procedures for using the Defense Automatic Addressing System (DAAS) as it applies to the Navy supply and distribution systems.

08306 ORGANIZATION

1. OPERATIONS. DAAS is operated by the Defense Automatic Addressing System Center (DAASC), located at Wright-Patterson AFB, Ohio. DAASC maintains computer facilities at Wright-Patterson AFB, and at its Western Division, located at Defense Depot Tracy, California. DAASC is part of the DLA Systems Design Center (DSDC), located at Columbus, Ohio. It services its customers by providing them with ready access to the DAAS telecommunications & Automatic Data Processing (ADP), and programming capabilities.

2. LIASON. A DAAS Focal Point Committee has representatives from each Military Service, Coast Guard, Defense Communications Agency (DC), Defense Nuclear Agency (DNA), and GSA. The DAAS Focal Point Committee helps DLA develop, implement, and operate DAAS. Navy's committee member is NAVSUP 4C2A4 who is responsible for the overall programming, review, and analysis of the Navy's DAAS operation; monitoring of recommendations for improvement; and execution of plans for Navy system improvement and expansion. CNO (OP-63111) and NAVSUP are the focal point representatives for the ILCS.

08309 DAAS COMPUTER OPERATIONS

1. GENERAL. DAAS uses communications services to transmit logistic traffic, and to provide a variety of logistic services to its subscribers. The system integrates logistics and telecommunications into a single data processing computer system. The system improves operations and conserves resources. DAAS is a near "real time" transaction oriented system directly interfacing with communication networks. Normally, DAAS processing is done on an instantaneous basis vice a batch processing method. The two DAASO sites (Dayton, Ohio and Tracy, California) operate 24 hours a day, 7 days a week.

Section II: DAAS FILES AND SUPPORT FUNCTIONS

08312 THE NAVY'S ROLE IN MAINTAINING DAAS SOURCE OF SUPPLY (SOS) FILE

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1. SOS CODES. The primary DAAS function is to quickly receive, process, and forward transactions to the correct destination. In addition, DAAS performs special validations and source of supply edits for all Navy activities. To correctly route Navy transactions and to perform special Navy validations, DAAS uses an Item SOS file and other subsidiary files. The DAAS SOS file for Navy items is derived from Navy cataloging data. This cataloging data is submitted by NAVICP Code 05621 to the Defense Logistics Information Systems (DLIS) at the Defense Logistics Services Center (DLSC) in Battle Creek, Michigan. DLIS, in turn, provides it to DAAS with an SOS code for each Navy item. The SOS code is based on many factors including Material Control Codes (MCCs), Acquisition Advice Codes (AACs), Issue Restriction Codes (IRCs), Cognizance Symbols, Federal Supply Classes, Special Material Identification Codes (SMICs), and requisitioning channels.
 2. DISCREPANT CODES. DLIS provides SOS codes to DAAS based on NAVSUP policy. Any discrepancy between the DAAS SOS code and the latest Navy cataloging data should be brought to the attention of NAVICP Mechanicsburg, PA Code 05621. Activities questioning any of the Navy's DAAS policy should contact NAVSUP (SUP 4C2A4).
 - ↑ 3. SPECIAL CODES. The Navy SOS code usually reflects the RIC of the cognizant IM, but it may reflect the RIC of the activity assigned requisition approval. If no SOS is assigned, an XZZ code is entered in the SOS file. The three-digit Navy regular SOS code is supplemented by a two-digit Navy special code. This special code identifies the item as decentralized, Issue Restriction Coded for centralized requisitioning, or centrally managed and subject to normal requisitioning. The Navy special codes follow:

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- a. MCC A and/or AAC L items are assigned Code DL
- b. AAC K items are assigned Code DK
- c. AAC F items with Phrase Code Q are assigned Code DF
- d. AAC I items are assigned Code DI
- e. IRC items are assigned Code R in the first position (the requisitioning approved activity's RIC is shown as the regular SOS code)
- f. Items containing an A, B, X, or Z (in the first position of the Navy special code) are centrally managed items subject to normal requisitioning channels.

4. NAVY RESPONSIBILITIES. For maintaining their portion of the DAAS SOS file, Navy sends their SOS and FSC changes to DLIS in accordance with DoD 4100.39-M, the DLIS Procedures Manual. SOS and FSC changes (DI KSS) are prepared in the DLIS for update of DAAS records.

08315 COMPILATION AND MAINTENANCE OF DAAS SOURCE OF SUPPLY (SOS) FILE

1. GENERAL. The item SOS file depends on DLIS DI KSS transaction data for update. Each item record carries a Routing Identifier Code (RIC) to reflect the Military Service/Agency activity that is designated as the active or inactive SOS. The item SOS record also contains the Navy special code, which, as we said, further identifies the item as decentralized, Issue Restriction Coded, and/or centrally managed. SOS data is recorded in the DAAS master SOS record by NSN. It's loaded on the effective date in the random access files at the DAAS on-line operating facilities. Pseudo SOS codes used are defined below:

- a. D9_ DLA Decentralized Management.
- b. XDG GSA Decentralized Management for DoD Activities.
- c. XFG GSA Managed for Civil Agencies.
- d. XGG GSA Managed for DoD Activities.
- e. XZZ No assigned SOS.

2. EFFECTIVE DATE. SOS and FSC changes update the DAAS records on the effective dates shown on the DI KSS transactions. Transactions that provide a SOS for new items are effective immediately. DLIS is required to provide changes for new items to DAAS (with an immediate effective date) within 15 days from the date of assignment of the new NSN. DAAS records are updated only on the effective date of the item SOS change. These DAAS records are used to route selected requisitions and related supply transactions.

3. BUSINESS RULES. DLIS is tasked to provide DAAS with change data prior to the effective date of the change except as cited in subparagraph b below. This permits routine processing by DAAS of SOS and FSC changes. It also gives DAAS time to take corrective action and to update the SOS records for both DAAS facilities on the effective date.

a. SOS and FSC changes (DI KSS), resulting from normal catalog action, is transmitted to DAAS by DLIS.

b. Changes resubmitted by DLIS to correct transactions that were rejected by DAAS contain the effective date of the rejected change, or the current date, whichever is later.

c. Emergency SOS or FSC changes will be accepted by DAAS (by phone) from the authorized DLIS control office. Emergency changes will be verified by a follow-up DI KSS transaction as soon as practicable. DLIS will be responsible for maintaining a suspense file of all telephoned changes and assuring that each suspended item is forwarded to DAAS.

08318 SUPPLEMENTAL SOURCE OF SUPPLY (SOS) FILE

1. INCORRECT ROUTING. If DAAS receives notification from a Service/Agency Focal Point Committee member that a requisition or related transaction is being routed to an incorrect SOS, DLIS will be notified by phone and a follow-up message will be sent indicating that expedited corrective action is required to update the DAAS SOS code. DAAS will annotate the item SOS record to indicate that a special rule applies until DLIS provides the correct update.

2. SPECIAL SUPPLY RULE. The special supply rule provides for interim routing to the correct SOS - using a separate item record - until the update is received from DLIS. The separate item record shows the date the incorrect SOS was reported and corrected by DLIS.

3. SOS RECORD. In applying the above procedures, the DAAS SOS record will not be changed by DAAS. Only DLIS will change the DAAS SOS record.

08321 DLIS/DAAS CONTINGENCY FILE MAINTENANCE PROCEDURES

1. GENERAL. When the DLIS is inoperative, operating in a highly degraded mode or, due to a related condition, accurate and timely SOS file maintenance cannot be done, the Navy will provide SOS file maintenance directly to DAAS, as follows:

2. SOS UPDATES. All Military Services and Agencies will prepare SOS changes. These SOS updates will be derived from:

a. File maintenance actions resulting from Catalog Management Data (CMD) flow.

b. MOE rule changes and deletions.

c. Critical SOS actions.

d. Special SOS updates submitted by the DNA and Coast Guard for items that are unique to DAAS.

3. PROCEDURES. SOS and FSC changes will be used to update the DAAS records on the effective dates contained in the DI SSS transactions. Item SOS changes are used, on the effective date, to route selected requisitions and related supply transactions. To permit routine processing of SOS and FSC changes, allow enough lead time for DAAS to take any necessary corrective action, and to update the SOS records for each of the DAAS sites on the effective date; change data (excluding urgent or immediate effective changes) will be provided a minimum of 25 days prior to the effective date of the change. The changes will be transmitted as follows:

a. Changes generated as a result of normal catalog action will be recorded and mailed to DAASO, Gentile Air Force Base, Dayton, OH 45444, accompanied by a letter of transmittal that includes the number of changes. When a small number of changes are involved, the submitter can mail diskettes.

b. Changes generated as a result of corrective action, or those that are effective immediately, are to be transmitted via automated communications networks. Changes that are resubmitted to correct transactions that were rejected by DAAS will contain the effective date of the rejected change or the current date, whichever is later.

4. ITEMS W/O AN SOS. SOS Code XZZ will be used to delete a SOS that was recorded in error for an item that does not have an applicable SOS. DAAS will process these changes to replace the current SOS code with XZZ.

5. INACTIVE ITEMS. SOS Code XXX will be used to delete a SOS that was recorded correctly but no further requisitioning action is anticipated for the item and user interest has been withdrawn; or the item has been designated as an inactivated item of supply. DAAS will process an XXX change to retain the last recorded SOS in the Military Service record and to code the item with an "I" to indicate that it has been inactivated. In the event item management responsibility for an inactivated item is reassigned, a DI SSS change transaction with an "X" in rp 53, submitted by the gaining manager, will cause DAAS to record the new SOS and retain the inactive item status code.

6. FSC CHANGES. FSC changes will be provided whenever an FSC change occurs regardless of whether or not there is a change in the SOS.

7. EDIT. An edit will be performed on SOS change data received by DAAS prior to its use in updating the DAAS records. The edit is in three segments. Each segment is designed to accomplish a specific function:

a. Segment I applies to all changes submitted by the IMM and Military Services. Each change transaction is examined to ensure that it contains the required codes and that they are all valid. The edited fields are Military Service/Agency MOE code, NSN, SOS code, and effective date. Change transactions that fail this edit are rejected and returned to the originator for correction.

b. Segment II applies to the IMM portion of the record. A comparison is made between the SOS on record and the source submitted in the change transaction by an IMM. The new data is accepted or rejected, as depicted in Volume 10, Table 114 of DoD 4100.39-M. When appropriate, notifications are sent to the "losing" IMM.

c. Segment III applies to all elements of the record for those transactions that were accepted and used to update the DAAS record. Comparisons are made between the IMM and the Military Service sections of the record to identify active/inactive item status indicators, SOS codes, and/or FSC entries that are in conflict with another section of the record. Conflicts are identified when a Military Service record shows that:

(1) Another Military Service is the SOS and the sources shown in the two records are different, or the other Military Service record does not contain a source.

(2) Another Military Service is the active SOS and the record of the other Military Service is coded "inactivated" or does not contain a source.

(3) An IMM is the SOS and the source in the Military Service record is not the same as the source in the IMM record or the IMM record does not contain a source.

(4) An IMM is the active SOS but the IMM record is coded "inactivated" or the IMM record does not contain a source.

(5) Another Military Service is the SOS and the FSC is not the same as the FSC in the record of the other Military Service.

(6) An IMM is the SOS and the FSC is not the same as the FSC in the IMM record.

8. CONFLICT NOTICES. Segment III item conflict notices will be prepared during the monthly update of the item SOS records. DAAS provides these notices to the appropriate activity by means of printed listings, dependent upon the number of notices involved and the desires of the receiving activity. Conflict notices are provided to the managing IMM when the conflict is between the IMM record and the using Military Service record, and to the managing Military Service when the conflict is between the managing and using Military Service records.

9. RESPONSE TO CONFLICT NOTICES. Segment III item conflict notices include the SOS shown in the IMM and the Military Service records. These data show what is in the DAAS record and are not intended to specify which section of the record is in error. Cataloging activities that receive the conflict notifications will determine which section of the record is in error. The managing IMM or Military Service, as appropriate will:

a. Prepare and submit change transactions for correction of the DAAS records when the IMM/Military Service SOS, active/inactivated status, or the FSC is in error.

b. Advise the using Military Service (identified in the conflict notice) when the Military Service section of the record is in error. The using Military Service will prepare and submit change transactions for correction of the DAAS records.

08324 INTERROGATING DAAS FOR ITEM SOURCE OF SUPPLY (SOS) DATA

1. GENERAL. DAAS provides item SOS data in response to interrogation requests. The SOS data is extracted from the DLIS repository. Sequencing of the interrogations is not required by DAAS because the SOS data are recorded in random access mode. The DAAS response to interrogations will be in the same sequence as received from the requester. The response will reflect the NSN/NIIN (as contained in the request) and the SOS recorded for the IMM, Air Force, Army, Navy, and Navy special code (see paragraph 08333). If there is an FSC in the SOS record of the Navy, that FSC will be entered in rp 66-69 of the response (DI QUR) transaction. If the Navy SOS record does not contain an FSC, the SOS column of the IMM, Air Force, and Army - in that order - will be checked. If an FSC is found, it will be entered in rp 66-69 of the QUR transaction. Card column 65 of the QUR transaction will be used by DAAS to indicate which SOS column contained the FSC shown in rp 66-69. The alpha designators for position 65 are: I for IMM, A for Army, F for Air Force, or N for Navy. If there is no source recorded in the DAAS SOS record, positions 65-69 of the DI QUR will be blank. The various interrogation techniques follow:

a. CIC IHJC INTERROGATION/RESPONSE. This technique is limited to those activities identified by an assigned RIC and served by a data pattern terminal. The message may contain up to 498 interrogations. It will be addressed to the DAAS facility assigned to the subscriber and will contain CIC IHJC. The response by DAAS is assembled into a message, identified by CIC IHJD and addressed to the originating RIC. Formats are contained in paragraph 2 below.

b. MAILED INTERROGATION/RESPONSE. This technique is limited to those activities which cannot receive the responses via AUTOMATED COMMUNICATIONS NETWORKS or when the requester does not have a RIC. The interrogation (QUE) may be transmitted by diskette or automated communications networks. The QUE format is contained in paragraph 2a below.

(1) Diskette will contain ASCII data in IBM compatible format; 5 1/4" diskette formatted at 360 kb or 3 1/2" diskette formatted at 720 kb or 1.44 mb. DAAS can provide interrogation responses (QUR) by machine listing. A transmittal letter is required to specify output format requested.

c. INTERROGATIONS VIA TELEPHONE. This technique is limited to a small volume of items, five or less, where it is feasible to continue a telephone conversation for the length of time required to make the interrogations and read the responses back to the requester. Customers may also query the SOS database via personal computer. (See paragraph 08381.5.)

2. Interrogation/Response Formats

a. Interrogation Format

Record Position	Data Element
1-3	QUE (Identifies Source of Supply interrogation).
4-6	RIC to whom response will be forwarded.
7	Blank.
8-20	NSN.
21-69	Blank.
70-80	Reserved for internal.

b. DAAS Interrogation Response Format

Record Position	Data Element
1-3	QUR (Identifies DAAS response).
4-6	RIC of addressee.
7	Blank.
8-20	NSN.
21-28	IMM Record.
(21-22)	Constant IM.
(23)	Blank.
(24)	Inactivated Code I or blank.
(25-27)	SOS Code.
(28)	Blank.
29-36	Air Force Record.
(29-30)	Constant AF.
(31)	Blank.
(32)	Inactivated Code I or blank.

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Record Position	Data Element
(33-35)	SOS Code.
(36)	Blank.
37-47	Army Record.
(37-38)	Constant AR.
(39)	Blank.
(40)	Inactivated Code I or blank.
(41-43)	SOS Code.
(44)	Blank.
(45-46)	Stop See Code - VV or blank.
(47)	Blank.
48-64	Navy Record.
(48-49)	Constant NA.
(50)	Blank.
(51)	Inactivated Code I or blank.
(52-54)	SOS Code, Navy Regular.
(55)	Blank.
(56-61)	Constant NA SPL.
(62)	Blank.
(63-64)	SOS Code, Navy Special.
65	Alpha Designator of source of FSC in rp 66-69: I = IMM, A = Army, F = Air Force, N = Navy, Blank = None.
66-69	FSC recorded in DAAS Files for activity indicated in rp 65: Blank if no FSC is recorded.
70-80	Perpetuated from original interrogation.

08327 DoD ACTIVITY ADDRESS DIRECTORY (DoDAAD)

1. GENERAL. DAAS uses the DoDAAD file to process Military transactions. It's derived from the DoD Activity Address File (DoDAAF). The DoDAAF contains the name and addresses of activities in the Military Standard Data Systems. It includes: military organizations which requisition, receive or ship material, or are financially accountable for the material; commercial organizations which enter into material and/or service contracts with DoD; and other Federal Agencies which logistically support DoD.
2. DoDAAF. The DoDAAF is a mechanized file maintained by Defense Finance and Accounting Service (DFAS). The Navy Central Service Point (CSP) is DFAS Cleveland Code ABB-2, Cleveland Ohio 44199-2055. They assign or modify all Navy DoD Activity Address Codes (DoDAACs) in the DoDAAF. DFAS Cleveland transmits Navy address changes to the DAAS DoDAAD, where, again, it's used to process Military Standard Logistics Transactions.
3. DoDAAD. DoDAAD operation procedures are in Section I of DoD 4000.25-6-M. Addition, revision, and deletion actions to the DoDAAF (and, i.e. the DoDAAD) for **Navy** activities are only done by DFAS, Cleveland Ohio. DAAS updates the DoDAAD daily (Monday through Friday). Selected users query the system on-line using the DAASINQ procedure below.

08330 INTERROGATING DAAS FOR ACTIVITY ADDRESSES

1. The DAAS DoDAAD provides activity addresses in response to on-line queries (DAASINQ). The DoDAAD addresses are extracted from the DFAS DoDAAF. It provides the TAC1 address (mail), TAC2 address (freight), and TAC3 address (billing). If a TAC2 or TAC3 is not found on the file, but a valid TAC1 address exists for the activity, the TAC1 address will be used for shipping or billing. If the address interrogated is not on the file or is deleted, the response will say so. The various query techniques follow:
 - a. ON-LINE QUERIES (DAASINQ). Customers may query the DoDAAD database via personal computer. To do so you must have an IBM compatible personal computer equipped with a Hayes compatible modem and communication software; Local Area Network (LAN) terminal with dial-up capabilities or Defense Data Network (DDN) connection. Customers can also use the internet (WWW. DAAS.DLA.MIL) to query the DoDAAD. Customers may remotely query selected DAAS databases (DoDAAD, MAPAD, MILRID, Item Sources of Supply) by mail or telephone.
 - b. MAIL. This technique may be used by activities which cannot do on-line queries. The interrogation (QD_) may be submitted in diskette form. The QD_ format is contained in subparagraph 2a below.
 - (1) Diskette will contain ASCII in IBM compatible format; 5 1/4" diskette formatted at 360 kb or 3 1/2" diskette formatted at 720 kb or 1.44 mb. DAASO's response will be an address listing which will be mailed to the requester.
 - c. TELEPHONE. This phone is limited to no more than five DoDAACs.

08333 MILITARY ASSISTANCE PROGRAM ADDRESS DIRECTORY (MAPAD)

1. GENERAL. The master Military Assistance Program Address File (MAPAF) contains addresses of the country representatives, freight forwarders, and customers-within-country. This information helps to process Foreign Military Sales (FMS) and Military Assistance Program (MAP) Grant Aid shipments. MAPAD operation procedures are contained in DoD 4000.25-8-M. A new basic MAPAD (DoD 4000.25-8-M) is prepared and published by DAAS every two years. DAAS updates this directory monthly. The Distribution List (for the basic MAPAD and its monthly changes) is maintained by NAVICP Philadelphia PA, Code P753111. Address any changes to the distribution list to them.

08336 MILSTRIP ROUTING IDENTIFIER CODE (RIC) FILE

1. NAVY RIC ASSIGNMENTS. Each Service has a coordinator responsible for submitting and validating their respective RIC additions, revisions, and deletions. The Navy coordinator is NAVICP-M, Code 101.1, DSN 430-7016. NAVICP 101.1 sends Navy RIC additions, deletions, and modifications to DAAS for update to the DoDAAD and publishes them in the NAVSUP PUB 485 Volume II Appendix 7. DAAS ensures RIC assignments comply with all MILSTRIP rules.

2. BACKGROUND. DAAS - not DFAS - revises and maintains the DoD RIC file. DAAS maintains the RIC file separately from the DoDAAD file. DAAS prepares and submits an annual RIC listing to each Service for validation. The RIC file is available for on-line queries using the DAASINQ which is accessed via the DAAS website at www.daas.dla.mil/daasingq.

08339 INTERROGATING DAAS FOR MILSTRIP ROUTING IDENTIFIER CODES (RICs)

1. DAAS can provide RIC addresses upon request. The addresses are extracted from the DoD RIC file. Here are several interrogation techniques:

a. ON-LINE QUERIES (DAASINQ). The DoD RIC File provides activity addresses in response to on-line queries (DAASINQ). The Internet address for on-line queries is www.daas.dla.mil/daasingq. It provides the TAC1 address (mail), TAC2 address (freight), and TAC3 address (billing). If a TAC2 or TAC3 is not found on the file but a valid TAC1 address exists for the activity, the TAC1 address will be used for shipping or billing. If the address interrogated is not on the file or is deleted, the response will say so.

b. MAIL INTERROGATION/RESPONSE. This technique may be used by activities with no means to query the RIC file on-line. The interrogation may be submitted in diskette. DAAS will mail a listing back to the requesting activity.

c. TELEPHONE. Telephone queries are limited to no more than five RICs.

08342 PROCESSING OF MILITARY STANDARD BILLING SYSTEM (MILSBILLS) TRANSACTIONS THROUGH DAAS

1. GENERAL. Interfund billing transmitted to DAAS must contain a Content Indicator Code (CIC) of IFBB and a DAAS COMM RI of RUEOZZA. DD Form 1392, Data Message Form, must accompany the interfund billing to the communications center. MILSBILLS DI series in the F and G series shall not be intermixed in the same bill. The interfund bill message should consist of one bill and shall not contain more than 496 data transactions (FS, FL, FA, etc.). A complete bill shall consist of a summary transaction, a retail loss allowance transaction and detail line item transactions not to exceed 494 per bill.

2. DAAS ACTION. Upon receipt of above transactions, DAAS will validate transaction count in rp 5-7 of the summary transaction to the total supporting detail transactions. DAAS then validates the "bill to" address in rp 30-35 of the summary transaction and validates the value in rp 65-73 of the summary transaction to the value in rp 65-73 of the detail transaction. Upon successful completion of the edits, DAAS will prepare a narrative header card "for Accounting and Finance Officer" and route the interfund billing to the address shown in the doodad. If the bill does not pass the prescribed edits, DAAS will reject and return the interfund bill to the originator with a narrative explanation of the reject. The reject will be in a standard DAAS reject message of two lines which references the input message number and the reason for rejection. The reject is returned to the originator within 60 minutes after input. DAAS maintains bills on file for 12 months and provides management products and other types of recovery when justified.

3. INTERROGATION. Subscriber interrogation capability is available on an individual bill basis. The request is accumulated and run by DAAS once weekly. The interrogation format is as follows:

Record Position	Data Element
1-3	DI QB1.
4-6	DAAS RIC SGA.
30-35	Bill to Address.
36-38	Bill Date (rp 36 = year; rp 37 = month).
39	Blank.
40-44	Bill Number.
45-50	Billing Office.

4. ON-LINE QUERIES OF BILLS. Bills may be viewed on-line using the MILSINQ query.

08345 CONVERSION OF PART NUMBER (P/N) REQUISITIONS TO NSN REQUISITIONS

1. GENERAL. A02/A0B part number requisitions received by DAAS are referred to DLIS to determine if the P/N in the requisition can be cross-referenced to the right NSN and converted to an NSN requisition (A01/A0A). A P/N requisition and the date/time of its entry to DAAS are recorded in a suspense file. Simultaneously, a P/N interrogation is created by DAAS and sent to DLIS. The P/N requisition stays in the suspense file until a response transaction is received from DLIS, or until 12 hours have elapsed since the P/N entry into the suspense file.

2. ACTION. If no response is received from DLIS after 12 hours, or if the DLIS response is negative (no NSN match), the P/N requisition is removed from the suspense file and processed as an A02/A0B P/N requisition and passed to the activity in rp 4-6. If the DLIS response is affirmative (NSN match) and DAAS is able to route the requisition by NSN SOS, the P/N is changed to the matching NSN and the DI is changed to A01/A0A. When an A02/A0B requisition is converted to an A01/A0A requisition, an AE9 transaction with Status Code BG is transmitted in accordance with the M&S code and distribution code. The converted requisition is then processed as an original A01/A0A requisition.

→ 08348 VISUAL LOGISTICS INFORMATION PROCESSING SYSTEM (VLIPS)

1. DEFINITION. DAAS has an inquiry system called Visual Logistics Information Processing System (VLIPS). VLIPS is a client/server tool that operates through the Internet and dial-up; it provides seamless integration with commercial applications. VLIPS allows you to do inquiries on both A- and FT- series MILSTRIP transactions that have passed through DAAS's automated processing. VLIPS measures requisition flow on-line. The Navy uses VLIPS to measure Logistics Response Time, that is, the time it takes to satisfy a customer's requisition. For more information on obtaining a VLIPS account, contact the DAAS Information Office at DSN 986-3247 or Comm (937) 656-3247.

2. CAPABILITIES.

- a. Allows DAASC customers to track their requisitions including query by: Document Number, Unit Activity, Project Code, TCN, or NSN.
- b. Reduces response time to customer inquires.
- c. Obtain pre-stored reports based on a document number, address/unit id, & part number.
- d. Obtain Ad Hoc reports tailored to customer needs.
- e. Life cycle queries of specific transactions.
- f. Obtain information about materiel management actions such as requisitions, customer confirmations, and supply and shipment status.

08351 LOGISTICS INFORMATION DATA SERVICE (LIDS) REPORTS

- 1. GENERAL. LIDS reports are extracted from the history records of all transactions processed by DAAS. Selected data are published on a monthly, quarterly, or semiannual basis. These reports are provided in microfiche, unless exception to receive printed copy is requested. Navy activities desiring to receive any of the following reports may do so by contacting NAVSUP 4C2A4.
- a. SECTION 1 - TRANSACTION VOLUME. Section 1 reflects the current and past 12 months volume of transactions received by DAAS from each Service/Agency but does not include a breakout by individual activity within a Service/Agency. This section contains statistics for each general category of transaction identifier (DI) code (e.g., series A, B C, D, F, J, P, etc.) which is further broken down by specific DI code (e.g., AOA, BA1, CK6, D7A, etc.). For MILSTRIP it includes a breakout by issue priority grouping. In addition, this section shows the total number of transactions rejected by DAAS and the reason for each rejection.
 - b. SECTION 2 - TRANSACTION VOLUME ORIGINS. Section 2 reflects the total number of transactions which were received by DAAS or transmitted by DAAS from/to an individual activity. This monthly report (which includes current and previous 12 month data) is in alphabetic sequence by activity name and contains the activity's communication routing identifier and the communications precedence (priority or routine) used.
 - c. SECTION 3 - This section is divided into two subsections:
 - (1) Monthly volumes by Service/Agency MILSTRIP routing codes for requisitions, passing orders, referral orders, issue transactions, total demands, cancellations, AF follow-ups, AT follow-ups, and A5 (MROs) by priorities and customer excess material to/from routing identifier codes.
 - (2) ICP EXCESS REPORT TRANSACTION VOLUME. This subsection is prepared monthly to report the transaction volume of excess report responses. It is prepared by Service/Agency to show the monthly volume (by response code) for past 12 months.
 - d. SECTION 4 - ITEM ACTION FREQUENCY. This section reflects the frequency of requisitions on NIINs. It reflects the volume per Service/Agency for each frequency interval and the volume per routing identifier code.
 - e. SECTION 5 - HIGH ACTION ITEMS. This section pertains to items in Section 4 which were requisitioned more than 100 times (includes total requisition, passing orders, and referral orders). It is prepared monthly for each Service/Agency by NSN and source of supply.
 - f. SECTION 6 - RESERVED.
 - g. SECTION 7 - COMMUNICATIONS PIPELINE (TRANSACTION DATE VS. MESSAGE HEADER DATE). This section contains the results of comparing the transaction date with the date in the input message header (excluding suspected duplicate messages). It is prepared for each Service/Agency to show the number of transactions by different time lapse frequency; post dated, same day, one day, two days, three days, four days, five days, six days, seven days, 8-15 days, 16-30 days, older than 30 days, total and the individual percentages. This report is for requisition transactions only.

h. SECTION 8 - COMMUNICATION PIPELINE (TRANSACTION DATE VS. DATE RECEIVED BY DAAS). This section is the same as Section 7 except the time comparison matches the date in the transaction with the date the transaction is received by DAAS.

i. SECTION 9 - COMMUNICATIONS PIPELINE (MESSAGE DATE/TIME VS. DATE/ TIME RECEIVED BY DAAS). This section shows the results of comparing the date/time in the message header with the date/time the message is received by DAAS. It is prepared for each military Service/Agency to show the number of transactions in each time lapse frequency of 0-1 hours, 1-4 hours, 4-8 hours, 8-12 hours, 12-24 hours and older than 24 hours.

j. SECTION 10 - COMMUNICATIONS PIPELINE EXTRACT. This section consists of an extract of delinquencies contained in Pipelines Sections 7, 8, and 9. It identifies the transactions and originating activities when established standards have not been met for creating transactions and transmitting messages. This is done by individual transactions, message, or day. It is prepared separately for each Service/Agency by request only.

k. SECTION 11 - DAASO FMS NOTICE OF AVAILABILITY (NOA) TRANSACTIONS (DI AD). This section is divided into two parts.

(1) PART ONE. DAASO FMS NOTICE OF AVAILABILITY TRANSACTIONS. This part of Section 11, LIDS, is published monthly for the first 2 months of a quarter and consolidated into a quarterly report at the end of the quarter. No monthly listing is published for the last month of the quarter. This is a listing of all DI AD transactions (AD1, AD2, AD3, AD4 and AD5) flowing through DAAS and will be printed in FMS Notice Number sequence to reflect the following data:

(a) Heading: DAASO FMS NOTICE OF AVAILABILITY TRANSACTIONS RECEIVED FOR THE MONTH OF _____.

(b) Field 1: Image of DI AD transaction (reference: Appendices C27, C28 and C29, DoD 4000.25-1-M (MILSTRIP)).

(c) Field 2: Reject code (see listing below).

(d) Field 3: Date of rejection.

(e) Field 4: Originator's message identification (same as Field 4, Part I, Section 11, LIDS).

(2) PART TWO - DAASO FMS NOTICE OF AVAILABILITY REJECTS. This part of Section 11, LIDS is published monthly. This report list all DI AD transactions (ADI, AD2, AD3 and AD4) rejected by DAAS back to the submitting storage activity. It's printed in FMS Notice Number sequence separately for each submitting Service/Agency to reflect the following data:

(a) Heading: DAASO FMS NOTICE OF AVAILABILITY REJECTS FOR THE MONTH OF _____.

(b) Field 1: Image of DI AD transaction (reference: Appendices C20 and C21, DoD 4400.25.1-M MILSTRIP).

- (c) Field 2: Reject code (see legend below).
- (d) Field 3: Date of rejection.
- (e) Field 4: Originator's message ID (same as Field 4, Part I, Section 11, LIDS).
- (f) Reject code legend (to appear at bottom of each monthly listing):

<u>Reject Code</u>	<u>Reason For Reject</u>
AD	Details not equal to count in positions 7-10 of NOA (number of AD2 (AD4) transactions not equal to count positions 7-10 in AD1 (AD3)).
AF	Incompatible FMS notice numbers, positions 61-77.
AH	No AD1/AD3 NOA key transaction preceding
AD2/AD4	NOA detail transactions.
AL	Country code, positions 19-20, invalid mechanized NOA
D3	DI, positions 1-3, invalid for DAAS processing (not ADI through AD5).

I. SECTION 12 - DAAS SOS RECORDS. This section is divided into two parts:

(1) PART 1. DAAS SOS FILE SUMMARY. This part of Section 12 contains statistical data pertaining to the DAAS SOS records. This report will be prepared separately for each Service/Agency and the entire report distributed to the DAAS Focal Points as follows:

- (a) Army - As requested.
- (b) Navy - Monthly.
- (c) Air Force - Monthly.
- (d) Marine Corps - Monthly.
- (e) Coast Guard - Monthly.
- (f) GSA - Monthly.
- (g) DLA - As requested.

(2) PART II. DAAS INTERIM SOS FILE. This part of Section 12 contains a complete printout of the DAAS interim SOS record. This report is distributed the same as Part I (above).

m. Sections 13 through 25 are either tape outputs, reserved for future use or are applicable to other Service/Agencies only.

Section III: SUBSCRIBER PROCEDURES

→ 08354 COMPLIANCE WITH DAAS PROCEDURES

1. GENERAL. All activities having the capability to transmit transactions via automated communications networks will use the prescribed procedures. Any eligible activity not now participating in the DAAS is requested to do so by contacting NAVSUP (SUP 4C2A4) for initial guidance and notification as to the Communications Routing Indicator (COMM RI) of their assigned DAAS facility. Compliance with DAAS procedures is mandatory unless a request for waiver has been approved by SUP 4C2A4. If any portion of the DAAS procedures is considered to be counter productive, a request for waiver, accompanied by complete rationale and justification, is to be submitted to NAVSUP 4C2A4.

08357 VALID DAAS TRAFFIC

1. TRANSACTIONS PROCESSED. DAAS processes the following transactions provided they are prepared in the correct format and are authorized for transmission off station.

a. MILSTRIP DIs in the A, B, C and FT series are processed by DAAS and retransmitted in accordance with the subscriber's coding except as noted in paragraph 08054. Formats for the MILSTRIP DIs are contained in Appendix 28. Since the coding structure for DoD ID BA5 transactions does not contain an "RI to" field, DAAS passes to NAVICP-P if rp 56 is R, passes to FMSO if rp 55 is 9 or 5, passes to NAVICP-M for all others. (RIS activities will not transmit BA5s to DAAS.) In addition, DI BD4 (which does not have an "RI to" field) will be passed by DAAS to NAVICP-PHIL.

b. MILSTRAP DIs in the D series are processed by DAAS and retransmitted in accordance with the subscriber's coding. Formats for the MILSTRAP D series DoD IDs are contained in Appendix 28.

c. MILSCAP DIs PKN, PKP and PK5 are processed by DAAS and retransmitted in accordance with the subscriber's coding. PKN/PKP transactions are passed to rp 21-26 and PK5 transactions are passed to rp 27-32. Formats for the MILSCAP PKN, PKP, and PK5 transactions are contained in NAVSUPINST 4440.130B.

d. MILSBILLS DIs in the F and G series are batch processed by DAAS as described in paragraph 08363. Formats for the MILSBILLS transactions are contained in DoD 4000.25-7-M. In addition to the above, Customer Material Billing Adjustment/Allowance Transactions are processed by DAAS and passed in accordance with the subscriber's coding as follows: FAC/FAE/FAF to rp 4-6; FAR/FAS to rp 30-35 if rp 7 is 2 or 3, to rp 45-50 if rp 7 is 4 or 5, to rp 52 if rp 7 is 8 or 9.

e. J series DIs are processed by DAAS and retransmitted in accordance with the subscriber's coding. Formats for the J series transactions are contained in DoD 4140.34-M and DoD 4160.21-M.

Note: Subscribers shall transmit to DAAS any machine sensible transaction listed above, including those transactions that the subscriber would otherwise transmit directly to the customer via mail or Teletype message. Thus, DAAS absorbs a vast majority of the mail and Teletype functions, which were normally performed by its subscribers. This DAAS service provides significant savings to its customers.

08360 METHODS FOR TRANSMITTING TO DAAS

1. GENERAL. Many types of transactions destined for various activities can be batched into one message and transmitted to DAAS. Upon receipt DAAS examines each transaction, determines the appropriate supply address, batches, and then retransmits it to the appropriate destination - all in minimal time (see paragraph 08384). Listed are several ways to transmit transactions to DAAS:

a. DEFENSE DATA NETWORK (DDN). DDN has replaced AUTODIN and is a fast, reliable way to exchange data. Built into the supply systems at many shore locations, DDN automatically batches transactions for transmission to DAAS.

b. STREAMLINED AUTOMATED LOGISTICS TRANSMISSION SYSTEM (SALTS). The MILSTRIP option of SALTS allows users to submit and receive data to and from DAAS in 80-column format. Provisions have also been made to allow customers to send and receive DAAS traffic via their own SALTS accounts. For more information on the SALTS MILSTRIP option, contact SALTS CENTRAL at NAVICP Philadelphia PA.

c. DAASC AUTOMATED MESSAGE ENTRY SYSTEM (DAMES). DAMES is a fully automated telecommunication system that provides the subscriber with "stand-alone" telecommunications capability. Or it can be designed to function as a "front-end" communications processor linked to a subscriber's existing network. The DAMES software is menu-driven and features interactive message preparation that allows the user to build requisitions, materiel receipt acknowledgments, interfund billing interrogations, non-NSN requisitions, Reports of Discrepancy, and narrative messages. For more information about DAMES, contact the DAASC Customer Support Center at DSN 986-3247, or Commercial (937) 656-3247.

d. ILCS. The International Logistics Communications System (ILCS) was developed by DAASC to improve logistics communications services to Foreign Military Sales (FMS) countries, FMS contractors, and freight forwarders. ILCS provides telecommunications capability allowing the exchange of logistics related information between the FMS ILCS subscriber and the U.S. DoD logistics community. For more information about ILCS, contact the DAASC Customer Support Center at DSN 986-3247, Commercial (937) 656-3247.

e. DIELOG. DAASC Integrated Email Logistics (DIELOG) allows users to send and receive DAAS traffic using email. For further information contact the DAASC Customer Support Center at DSN 986-3247, Commercial (937) 656-3247.

5. ON-LINE INQUIRY OF DAAS DATABASES. Customers can query DAAS databases using the DAASINQ or MILSINQ options. With DAASINQ you CAN access Doodad, RICs, SOS, and MAPAD files. MILSINQ allows you to access MILSBILLS and MOV files. To access these files, users must have either a stand-alone terminal equipped with an Asynchronous MODEM, or a Local Area Network (LAN) Terminal with dial-up capabilities, or a DDN connection. For more details on these queries, contact the DAAS Information Office at DSN 986-3247, or Commercial (937) 656-3247.

6. INPUT TO DAAS BY MAIL.

a. DAAS can process transactions received by diskette. This may be needed when: your service is interrupted by minimize, there is a terminal malfunction, or transmission rate is limited by slow speed terminals. Mail your diskettes to DAASC-SLS, 5250 Pearson Road Area C BLDG 207, Wright Patterson AFB OH 45433-5328. You should contact your assigned DAAS facility prior to mailing any transactions. The DAAS facility will accept or designate another DAAS facility to which the transactions are to be mailed.

b. Transactions prepared in diskette format do not require batching, or header and trailer information. Do not skip lines between transactions. Each diskette is accompanied by a letter of transmittal that identifies the transactions submitted and gives all pertinent information relative to their origin and the required processing. For any transaction rejected, the originator is sent an "in the clear" message with the reason for rejection.

08363 DAAS METHODS OF RETRANSMITTING DATA

1. ELECTRONIC. DAAS transmits transactions the most expeditious means available for each activity. Transactions destined for activities served by electronic communications networks are transmitted without regard to the transaction's Media and Status Code (rp7). DAAS releases priority 1-8 transactions within ten minutes and all others within sixty minutes.



↑ 08366 MINIMIZE PROCEDURES

1. GENERAL. During periods when MINIMIZE conditions are imposed, DAAS will continue to be the destination point for logistic transactions. Continuous transmission of logistic transactions during MINIMIZE is the rule rather than the exception. Accordingly, the following basic rules will apply unless the MINIMIZE announcement specifically directs otherwise.

a. DAAS subscribers outside the geographical area of the MINIMIZE condition will continue to designate DAAS as the destination point for messages.

b. DAAS subscribers within the geographical area of the MINIMIZE condition will limit their transmission to DAAS to the following transactions:

(1) MILSTRIP requisitions, referrals, supply directives, passing orders relating to CASREP material classified as C2 or greater and Issue Group I and II follow-ups, status, modifiers, and cancellations.

(2) MILSTRAP (D_ series) transactions that effect on-hand balances.

(3) MILSCAP Transaction Identifiers PKN, PKP, PK5.

(4) Financial transactions (FA_ series) determined by the originator to have a precedence of PRIORITY or higher.

(5) All other machine sensible transactions (including MILSTRAP Priorities 9-15) are mailed to DAAS as diskettes. If the originator wishes, the diskettes are delivered to DAAS by courier.

(6) Continuous transmission of priority designator 09-15 transactions during MINIMIZE is prohibited. However, if in the judgment of the Commanding Officer any 09-15 transactions are determined to be time sensitive, they would qualify for a faster means of transmission.

c. After transactions have been received, DAAS becomes the responsible agent for carrying the transactions to their final destination. DAAS, as the responsible Agent (retransmitter), will implement any MINIMIZE procedure imposed on their Navy addressees by complying with the Navy's "Basic Operational Communications Doctrine" NWP 4, Chapter 8, paragraph 8.9(2).

2. DAAS OUTPUT DURING MINIMIZE. DAAS processing rules are changed (if necessary) to coincide with the requirements imposed by MINIMIZE. Transactions received electronically, by mail, or by courier are processed by DAAS considering the following MINIMIZE applications:

a. There may be instances in which MINIMIZE is imposed to limit or to prevent transmission of logistics traffic to a communications terminal(s) within a designated area(s). In these instances, DAAS will determine, in accordance with NWP 4, whether or not the transactions are to be transmitted electronically or by mail.

b. Transactions to be mailed to activities within a MINIMIZE area are recorded on diskettes for dispatch. The media used by DAAS will depend on the volume of transactions to be dispatched to a destination. When acceptable to the addressee, uninterpreted diskettes are used for small volumes of transactions that are normally sent electronically.

08369 HOW DAAS DETERMINES ADDRESSEES

1. GENERAL. DAAS routes transactions based on a combination of standard MILS processing rules and special Service requirements. In some cases, DAAS will change the addressee of a transaction based on the DAAS Source of Supply (SOS) file and/or special rules supplied by NAVSUP. When DAAS changes the addressee of a requisition, or a report of excess transaction, the originator is normally notified of the change via a special status transaction (AE9, FTQ).

08372 DAAS VALIDATION OF DATA FIELDS

1. GENERAL. To prevent retransmitting bad data, DAAS validates selected data fields in each transaction. Which data fields get edited depends on the transaction. In requisition-type transactions, DAAS edits the Document Identifier (DIC), Routing Identifier (RIC), Stock Number (NSN), Unit of Issue (for alpha characters), Quantity (for numerics), Requisitioner, Supplementary Address (if specified by the Media Status Code or the Signal Code), and the Signal Code. Blank or invalid codes in any of the above fields will cause DAAS to return the document to the originator (via message) outlining the reason for rejection (e.g. "Invalid Document Identifier Code").

08375 REJECTS FROM DAAS

1. GENERAL. Transactions which cannot be processed by DAAS are reconstructed into new messages and returned to the originating communications terminal. DAAS requires that only certain data fields be validated for acceptance. Transactions which DAAS is unable to process are returned to the message originator with a narrative statement or code outlining the specific reason for return. The receiving activity should recognize that the returned document (and narrative are) based on the first discrepancy detected in processing; additional errors may exist which the message does not address. Only the **rejected documents** are to be resubmitted by the originator as a new message. This point is important, since the remainder of the documents in the message will have been processed by DAAS.

2. CIC. DAAS discards the entire message when it contains an unauthorized Content Indicator Code (CIC) or when it's received with an erroneous card count. The originating communications terminal is advised in these instances.

3. SERVICE REQUESTS. All Service requests generated by DAAS specify whether the discarded transactions/messages are to be reentered into the communication system as a retransmission or a resubmission. The ZDKW CIC in the pilot header of a retransmitted message is removed by DAAS and replaced in the same manner as transactions received in a message with a suspected duplicate sentinel.

08378 SUBSCRIBER REQUESTS FOR RESUBMISSIONS

1. GENERAL. There may be instances where messages sent by the DAAS are received in garbled or incomplete condition. The DAAS does not edit the total content of transactions being processed. It examines data elements required for determining the appropriate addressee as well as other data elements. Accordingly, garbled data elements, not subject to editing, are processed undetected by the DAAS.

2. RETRANSMITTALS BY REQUEST. DAAS retransmits designated messages when requested. The request should comply with established communications procedures to specify the message number and date/time field. The request should identify the error(s) in the transmission and indicate whether the message is to be retransmitted with a pilot header containing CIC ZDKW or resubmitted without a pilot header.

08381 SUBSCRIBER REQUESTS FOR TRANSACTION TRACER ACTION

1. GENERAL. The DAAS maintains input and output messages for 30 days. If subscribers desire an audit trace of specific message transactions, they shall direct a Service message to their assigned DAAS facility, ATTN: Communications Specialist. Requests for direct action shall contain message header data of the subscriber output message which contained the transaction(s) in question. The specific transaction number(s) shall also be cited. The DAAS will do an input/output history trace and provide the subscriber with the DAAS output message(s), which contained the transactions being traced. If the subscriber desires DAAS to verify the Time of Receipt (TOR) of the DAAS output message by the supply source, the Service message should so indicate. Otherwise the DAAS will provide the subscriber with DAAS output message data so the subscriber can accomplish the desired action.

08384 DAAS REROUTE NOTIFICATIONS FOR REQUISITIONS AND REFERRALS

1. GENERAL. Requisitions (A0A/A01) and referral orders (A4A/A41) routed by DAAS in accordance with the DAAS Source of Supply File may be transmitted to a destination other than that indicated in the originator's transaction. In such instances, a reroute notification is transmitted to the originator. The reroute notification, in a standard MILSTRIP status format, contains a DI of AE9 with Status Code BM. It also includes the Routing Identifier Code (RIC) of the activity to which the transaction has been rerouted (rp 67-69) and the RIC of the DAAS facility making the change (rp 4-6). DAAS subscribers in receipt of an AE9 BM status transaction shall:

a. Update the Requisition Status File to reflect the activity in rp 67-69 as the last known Source of Supply (SOS).

b. Convert rp 1-3 of the AE9 transactions to the appropriate AE1, AE2 and/or AE3 status transaction(s) in accordance with the M&S code in rp 7 and the distribution code in rp 54. Perpetuate all other data contained in rp 4-80 of the AE9 transaction and forward the AE1, AE2 and/or AE3 status to the designated recipients.

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- c. If reroute action involves a "not carried" item, no further action is required.
- d. If reroute action involves a "not in stock" item, check the Management List-Navy (ML-N) to validate and possibly change the FSC, Special Material Identification Code, and cognizance symbol to the RIC of the cognizant IM; if the RIC of the cognizant IM matches the RIC of the SOS on the AE9 transaction, no further action is required. If the RIC of the cognizant IM does not match the RIC of the SOS on the AE9 transaction, update the Master Stock Item Record to reflect the RIC of the SOS provided by DAAS. The above situation is often brought on by issue restriction codes or requisition channels to other than the cognizant IM.

08387 DAAS REROUTE NOTIFICATIONS FOR EXCESS REPORTS

1. GENERAL. Excess Reports (FTE) routed by DAAS in accordance with the DAAS Source of Supply File may be transmitted to a destination other than that indicated in the transaction by the originator. In such instances, a reroute notification is transmitted to the originator with an FTQ DI and a Status Code TZ in rp 65-66. The reroute notification also includes the RIC of the ICP to which the transaction has been rerouted (rp 67-69) and the RIC of the DAAS facility making the change (rp 4-6). Activities in receipt of the FTQ reroute notification shall:
 - a. Update the Excess Status file and Class 283, if appropriate.
 - b. If the excess is from a declared stock excess, provide an output for research to correct the Master Stock Item Record or provide the appropriate local change notice action to correct the stock record.

08389 TRANSMISSION OF MATERIAL OBLIGATION VALIDATION (MOV) TRANSACTIONS VIA DAAS

1. GENERAL. Previous Material Obligation Validation (MOV) procedures did not allow sufficient time for a customer to process duplicate MOV requests. This problem was particularly acute for remote activities such as afloat units who rely on the receipt of MOV transactions via mail. To alleviate this situation, the Naval Supply Systems Command (NAVSUP) devised and successfully tested a procedure that centralizes control of MOV request transactions within the DAAS. Subsequently, the DoD Military Standard Requisitioning and Issue Procedures (MILSTRIP) Administrator approved this.
2. POLICY. All Service/Agency Inventory Control Points (ICPs) are required to transmit their quarterly MOV requests to the customers via the Defense Automatic Addressing System (DAAS) on the scheduled cutoff date. Specific actions applicable to DAAS and MOV customers are as follows:
 - a. Defense Automatic Addressing System Office (DAASO) will:
 - (1) Retain batch integrity and retransmit MOV transactions to customers on the date received from the Service ICPs. The DAAS transmission is sent electronically.

(2) Maintain a record of all MOV transactions for a period of 60 days to permit ICP/customer requests for tracer action.

(3) Use Transaction Identifier AN9 (MOV Header Card) transactions received from the ICPs to construct a summary listing in Unit Identification Code (UIC) sequence. It will reflect the date and method of transmission to the customer.

(4) Transmit an individual service message to each MOV customer appearing on the above summary list. The DAASO service message will cite the following: the RIC of the ICP(s) originating the MOV transactions; the applicable DAAS method of transmission and dates; and the instructions to be followed if MOV data are not received within 18 days of the DAAS transmission date.

(5) Provide each Type Commander (TYCOM) with a summary message that lists all MOV recipients under his command. DAASO will cite the RIC(s) of the ICP(s) involved and the number of transactions. The TYCOM summary message is transmitted by DAASO no later than 15 days after commencement of the MOV cycle and is in addition to the summary message provided to each customer as prescribed above.

(6) Prepare duplicate MOV transactions to customers who have advised of nonreceipt of the original transactions within 18 days of the DAAS transmission date.

b. MOV customers will:

(1) Process MOV transactions as presently prescribed by NAVSUP Publication 485 Volume III Chapter 3. MOV responses are transmitted to the applicable ICP. When transmitting electronically, transmit via the DAAS; otherwise mail the transactions directly to the ICP.

(2) Each recipient of a DAASO message, titled "Summary Notification of MOV Transactions," will determine if the MOV transactions have been received within 18 days of the transmission date cited by DAASO. If not received within this time frame, submit a "Request for Retransmission" message to DAASO in accordance with the format contained in paragraph 08393. The notification to DAASO of nonreceipt should be done immediately upon expiration of the 18 day time frame. If a nonreceipt notification is not forwarded to DAASO, it is assumed that all MOV transactions have been received. Consequently, if AP__ MOV responses are not received by the cutoff date indicated in rp 71-73 of the AN__ request card, the ICPs will automatically cancel the requisitions unless a waiver request has been received by message.

c. DAAS offers a unique (MOV) response procedure for Navy fleet units and selected overseas shore activities. Upon receipt of AN__ MOV requests, fleet/authorized activities may respond to DAAS in the following manner:

(1) Submit the normal AP9 Receipt Acknowledgment transaction.

(2) After validation of requirements, the requisitioner will transmit to DAAS.

(a) FOR CANCELLATION. One DI AP transaction for each AN_ transaction requiring cancellation. The AP_ transaction is prepared as displayed in Appendix 28.

(b) FOR VALIDATION. One DI BMV transaction to certify all valid requirements. Only one transaction is required for each UIC regardless of the number of ICPs involved. Only one BMV is required for each UIC regardless of service code (N/R or N/V). The BMV transaction is sent to "DAAS DAYTON, OH" via formatted message using MILSTRIP Message Transmittal Worksheet (NAVSUP 1353 or 1353-1). The format for the BMV is provided in Appendix 28.

(c) If no cancellations are needed, only one BMV transaction is dispatched. DAAS, upon receipt of one BMV transaction, will turn around all AN_ transactions in its file and forward to each ICP involved validating the material obligations outstanding.

(3) Certain large deployed activities monitor and respond to MOV requests of smaller on-board units. In these cases it is necessary to send one BMV transaction for each UIC involved.

08391 FORMAT FOR DAASO "SUMMARY NOTIFICATION OF MOV TRANSACTIONS"

The following format is used by DAASO when transmitting MOV summary messages:

From: DAASO Dayton OH

To: (MOV request recipient)

UNCLAS //N04400//

Summary Notification of MOV Transactions

1. The following ICP generated MOV requests were transmitted to your activity by DAAS on the date(s) shown below:

RIC OF ICP

DAAS TRANSMISSION DATA

(Transmissions are indicated by DTG, Serial Number and appropriate DAAS Comm RI. Mail deliveries are indicated by four-digit Julian date.)

2. If above transactions not received within 18 days of date transmitted by DAAS, submit a narrative message (immediately after expiration of the 18 days) to DAAS Dayton OH requesting a retransmission of data. The request for retransmission must cite the DTG of this message, the UIC of your activity and the name and RIC of the appropriate ICP.

08393 FORMAT FOR MOV PARTICIPANT "REQUEST FOR RETRANSMISSION"

The following format is used for customers to request DAASO retransmission of MOV request transactions:

From: (Name of MOV participant)

To: DAASO Dayton OH

UNCLAS //N04400//

Request for Retransmission

A. DAASO Dayton OH__ (MOV participant will cite DTG of DAASO message titled "Summary Notification of MOV Transactions.")

1. Reference (a) indicated that MOV transactions from (cite RIC of ICP) were transmitted by DAAS to this activity (cite specific name and UIC) on (cite appropriate Julian date or DTG).
2. Above transactions not received and 18 days have elapsed since the DAAS transmission. Accordingly, request DAAS retransmit the transactions cited above.

Note: If partial batches received, the MOV participant must cite the missing batch numbers.

08395 SOURCE OF SUPPLY (SOS) ROUTING RULES

1. NARRATIVE. The DAAS SOS file contains relatively few peculiarities or conflicts in the SOS data recorded by the various Services/Agencies. However, the following rules have been developed to alleviate such situations when they do arise. In the absence of special supply rules, the DAAS routing rules for Navy transactions are as follows:

- a. If the SOS in the Navy record is an active centralized Navy source, the transaction is routed in accordance with the SOS in the Navy records.
- b. If the SOS in the Navy record is decentralized and coded with Navy Special DF, DK, or DL, DAAS checks the IMM record for a centralized source. If the IMM record reflects a centralized source, the transaction is routed to the SOS in the IMM record, otherwise the transaction is returned to the Navy for local procurement.
- c. If the SOS in the Navy record is either an inactivated Navy source (alpha "I" after RIC of IM) or an IMM source, the transaction is routed to the SOS in the Navy record.
- d. If the SOS in the Navy record is an activity of another Military Service, the transaction is routed to the SOS in the record of the other service, unless that source is an IMM source, blank or is coded inactivated. If so, the transaction is routed to the SOS in the IMM record. If no source is recorded in the IMM record, the transaction is routed to the SOS in the Navy record.

e. If the SOS in the Navy record is blank, the transaction is routed to the SOS in the IMM record. If the IMM record is also blank, the transaction is passed to the addressee entered in the "RIC to" field by the originator of the transaction.

2. CORRELATING CHART. The following chart simulates the format of the DoD SOS file by listing NIINs in numeric sequence with the SOS code for each Service/Agency. The SOS codes are for demonstration purposes only and do not necessarily represent the actual SOS for the NIINs involved. Circles around a given SOS indicates when routing FTE/FTC/FTF transactions from any Navy subscriber. The extreme right hand column identifies the subparagraph number of 08064 which correlates to the particular illustration in the chart.

NIIN	IMM	AF	ARMY	NAVY	SF	Subparagraph of 08064
00-001-0001	S91	XZZ	XZZ	N32	XE	1.a
00-001-0002	XZZ	XZZ	XZZ	N35	XD	1.a
00-001-0003	XFG	XZZ	XZZ	N35	DF	1.b
00-001-0004	S9I	XZZ	XZZ	N32	DL	1.b
00-001-0005	XZZ	XZZ	XZZ	N35	DF	1.b
00-001-0006	XZZ	XZZ	XZZ	N32	DL	1.b
00-001-0007	S9E	XZZ	XZZ	N35(I)	XD	1.c
00-001-0008	S9C	XZZ	XZZ	S9I	A6	1.c
00-001-0009	XZZ	XZZ	XZZ	N32(I)	XE	1.c
00-001-0010	XZZ	XZZ	XZZ	S9I	A6	1.c
00-001-0011	XZZ	FHZ	XZZ	FGZ	ZQ	1.d
00-001-0012	S9E	S9C	XZZ	FGZ	ZQ	1.d
00-001-0013	S9E	XZZ	XZZ	FGZ	ZQ	1.d
00-001-0014	S9E	FHZ(I)	XZZ	FGZ	ZQ	1.d
00-001-0015	XZZ	S9C	XZZ	FGZ	ZQ	1.d
00-001-0016	XZZ	XZZ	XZZ	FGZ	ZQ	1.d
00-001-0017	XZZ	FHZ(I)	XZZ	FGZ	ZQ	1.d
00-001-0018	XGG	XZZ	XZZ	XZZ	ZZ	1.e
00-001-0019	D9C	XZZ	XZZ	XZZ	ZZ	1.e
00-001-0020	XZZ	XZZ	XZZ	XZZ	ZZ	1.e

↓ **08397 TRANSACTIONS RETURNED FOR LOCAL PROCUREMENT**

1. GENERAL. DAAS returns transactions for local procurement when the item SOS record shows decentralized management. The returned transactions are A0A/A01 requisitions and A4A/A41 referral orders received from Navy customers (regardless of the service code in rp 30). Decentralized management is shown in the IMM column by D9_ (DLA centralized) or XDG (GSA decentralized). Decentralized management in the Navy column is identified by the RIC of the IM suffixed with one of the following Navy Special Codes: "DF" to identify Acquisition Advice Code (AAC) F items with Phrase Code Q; "DI" to identify AAC I items; "DK" to identify AAC K items; "DL" to identify AAC L items. As a general rule, requisitions for any item coded as decentralized in the DAAS file are returned by DAAS to the customer for local procurement with CP in rp 65-66. The following exceptions apply to the above basic rule:

a. If the subscriber FISC Yokosuka or FISC Pearl Harbor and

(1) Navy SOS is S9M with AAC F, I, K or L, DAAS inserts 2A in positions 65-66 and routes to DSCP (RIC S9M).

(2) Navy SOS is other than S9M with AAC F, I, K or L, DAAS inserts CP in positions 65-66 and routes transactions to FISC Puget (NUZ) for local procurement.

(3) Navy SOS is XZZ and IMM SOS is D9_ or XDG, DAAS inserts CP in rp 65-66 and:

(a) If subscriber is FISC Pearl Harbor, DAAS routes to FISC Puget (NUZ).

(b) If subscriber is FISC Yokosuka, DAAS routes to RIC in positions 4-6.

b. If the subscriber is NAVILCO and the SOS is D9_ or XDG, DAAS inserts CP in positions 65-66 and routes transaction to FISC Norfolk or FISC Puget depending on the country code in positions 31-32.

c. If the subscriber is an overseas or mobile unit Navy activity (N, P, K, R, or V - position 30), DI is AE1 and supply status in positions 65-66 equals CW, an A41 referral transaction is generated and routed to FISC Norfolk (NNZ) or FISC Puget (NUZ) depending upon geographical location of the activity. If DI is AE1, AE2, or AE3 with above conditions, the supply status code is changed to BM and NNZ or NUZ as appropriate is entered in positions 67-69. AE2 and AE3 status transactions with CW status do not generate an A4_ referral.

08399 SOS CODES AND CATALOGING DATA

1. GENERAL. Cataloging Management Data (CMD) transactions submitted to the Defense Logistics Information Systems (DLIS) by Commodity Integrated Material Managers (CIMMs), Weapons Integrated Material Managers (WIMMs) and military service item managers provide the raw data which is used by DLIS to update and maintain current data in the DAAS Source of Supply (SOS) file. (When a need exists to implement the contingency plans cited in paragraph 08321, NAVICP Code 05621 will provide SOS updates directly to DAAS.) The SOS in the Navy record is input to the DAAS SOS file on the cataloging effective date and is derived from a combination of cataloging data elements in the sequence described below.



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Step 1: Determine if Navy CMDN contains a terminal/inactive Phrase Code of A, C, L, M, N, P, T, V, or Z. If no, proceed to Step 2. If yes, and Navy is the SICA, enter Code XZZ ZZ. If yes, and Navy is the PICA, enter XXX ZZ.

Step 2: Determine if the NSN item record contains a Material Control Code (MCC) of "A." If no, proceed to Step 3. If yes, assign a regular (3 digit) SOS code based on the cognizance symbol as shown in Step 5 (e.g., if cognizance symbol is 1H, assign N35; if cognizance symbol is 2R, assign N32). Suffix such regular code assignments with Navy Special Code "DL."

Step 3: Determine if the NSN item record contains an Acquisition Advice Code (ACC) "K" or "L" or an "F" (with Phrase Code Q). If no, proceed to Step 4. If yes, assign a regular (3 digit) SOS code based on the cognizance symbol as shown in Step 5. Suffix such regular code assignment with the following Navy special codes: if AAC "K," assign DK, if AAC "L," assign DL; if ACC "F" with Phrase Code Q, assign DF, if AAC "I," assign DI.

Step 4: Determine if the NSN item record contains one of the following Issue, Repair, and/or Requisition Restriction Codes (IRRCs). If yes, code as follows:

IRRC	SOS	Navy Special Code	IRRC	SOS	Navy Special Code	IRRC	SOS	Navy Special Code
AF	N23	RA	BV	NCB	RP	XG	R31	R6
AH	R41	RB	BW	N47	R1	XJ	R29	R7
AM	NMZ	RC	BY	N43	RQ	XL	R33	R8
AW	RKZ	RE	BZ	N17	R2	XQ	N24	RW
BE	N39	RH	CC	R22	RR	XR	N23	RX
BJ	N84	RJ	DV	N67	R3	XS	N64	R9
BL	N35	RK	XA	RCZ	R4	XW	N68	RY
BM	N77	RL	XC	RAZ	R5	XZ	P73	RZ
BS	N32	RN	XD	N52	RT			

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PART C: REPAIRABLES PROCESSING

Section I: INTRODUCTION

08400 BACKGROUND

1. **DEFINITION.** A repairable is a component, module, assembly, or equipment determined to be economically repairable when it becomes unserviceable. Mandatory Turn-In Repairable (MTR) items fall into three categories: Depot Level Repairables (DLRs), Progressive Depot Level Repairables (PDLRs), and Field Level Repairables (FLRs). Material Control Codes (MCC) E, G, H, Q, or X identifies DLRs and PDLRs; MCC D identifies FLRs.
2. **FIELD LEVEL REPAIRABLES (FLRs).** FLRs are items which can be removed, repaired, and (if needed) condemned at either the organizational or the intermediate maintenance level. They are identified in FEDLOG (a query system that houses basic management data) by Cog 1HD, 1RD, or 3HD, and MCC 'D'. FEDLOG also provides an item's (1) repair maintenance code (the level authorized to repair the item) and (2) the recoverability code (the level authorized to condemn the item). It's necessary to check both codes since the authorized repair level may not be the same as the authorized condemnation level. Aviation activities will use the Aviation Intermediate Maintenance Department (AIMD) or the Intermediate Maintenance Activity (IMA) to provide local repair. FLRs that are locally repaired are known as Local Repair Cycle Assets (LRCA).
3. **DEPOT LEVEL REPAIRABLES (DLRs).** DLRs are Navy managed items that have been selected for special inventory control based on unit cost, annual demand, difficulty of repair, and other economic considerations. DLRs must be returned to the Designated Support Point (DSP) / Designated Overhaul Point (DOP) when they are Beyond Capable Maintenance (BCM) at the authorized maintenance activity. DLR items are listed and identified by NSN, cognizance symbol, and material control code in FEDLOG and FBM Master Repairables Item Listing (MRIL). It is mandatory that all stock records, custody records, and supply documentation for DLR items include the material control code (see Appendix 9I). Inventory Managers (IMs) can assign MCCs. An appropriate Source, Maintenance, and Recoverability (SM&R) Code is also assigned to each DLR; it indicates the level and degree of maintenance authorized.
4. **PROGRESSIVE DEPOT LEVEL REPAIRABLES (PDLRS).** PDLRs are DLRs that must be repaired and condemned at the depot maintenance level. The Recoverability Code listed in FEDLOG will indicate this. However PDLRs can be tested, checked, and repaired at a lower maintenance level. A Repair Maintenance Code of PA2GD may be listed in FEDLOG/APL for PDLRs. A Modular Test and Repair Facility (MTRF) before delivery to the depot must screen all PDLRs for repair. When a PDLR is BCM at the intermediate maintenance level and authorized by the Repair Maintenance Code, it must be sent to the depot activity listed in FEDLOG.

5. REPAIR ADVANTAGE. Repairables management is important because of the change in recent years in the type of material managed by Navy inventory control points. As weapon systems have become more sophisticated, the equipment, components, and related parts necessary to sustain them have become more complex and specialized. Defense systems are now being constructed in modules that are subsystems of the total. If a part fails, the entire module that contains this part is removed and replaced. Because defective repairables are expensive and normally take a long time to buy, they must be quickly repaired and returned to the supply system. This keeps the Fleet at a desired level of readiness.

6. OBJECTIVE. The repairables management goal is the same as the consumable management goal: to have the material available when and where it's needed. Making sure that enough assets are available for present and future requirements primarily does this.

7. CONSUMABLES VS REPAIRABLES. Repairable items are more difficult to manage than consumable items. With consumables, the item manager's goal is to buy the correct quantity to satisfy expected requirements: the question is, "When will I need more material and how many should I buy?" With repairables, the question is, "When will I need more material, how many do I need to repair and then - how many should I buy to satisfy the requirements?" The item manager must keep track of *ready* for issue material as well as *not ready* for issue material and determine if there is a *buy* requirement in addition to a *repair* requirement.

8. TRACKING REPAIR HISTORY. Since the repair of material is the primary source of replenishment for repairable items, it is necessary to track repair history and project repair requirements to support future material requirements.

08403 REPAIR CATEGORIES

1. WHEN AN ITEM BECOMES A REPAIRABLE. Items are made repairable or consumable when the Hardware Systems Command (HSC) develops the maintenance plan. This maintenance plan includes the information necessary to set the Source, Maintenance, and Recoverability (SM&R) code. The SM&R code identifies the item's: (1) reparability, (2) maintenance level authorized to remove and replace the item (organizational, intermediate, depot), (3) maintenance level authorized to repair the item and, if it cannot be repaired, the maintenance level authorized to dispose of the item.

2. THREE REPAIR LEVELS. In addition to determining whether an item should be a repairable, HSCs assign one of the three organizational levels of repair:

a. Organizational Level. An organizational level repairable item is one that can be repaired where it is used, e.g., a squadron.

b. Intermediate Level. Intermediate level items requiring repair are sent to: (1) a Shore Intermediate Maintenance Activity (SIMA) for items managed by NAVICP MECH and (2) an Aircraft Intermediate Maintenance Department (AIMD) for items managed by NAVICP PHIL.

c. Depot Level. A depot level repairable item must be sent to a Navy, DoD (i.e., other services Air Force,/Army) or commercial Designated Overhaul Point (DOP). Navy DOPs, such as Shipyards or Naval Aviation Depots (NADEPS) are often referred to as organic activities.

3. MATERIAL CONTROL CODE (MCC). After the repair level for an item has been selected, the item is assigned a Material Control Code (MCC). An MCC is a single letter code that the inventory manager (IM) uses to identify repairable items. MCCs are identified in Appendix 10.

4. SUPPLY CONDITION CODES. To properly manage repairable material, an IM must distinguish between items that are in stock and *ready-for-issue* versus items that are in stock but *not-ready-for-issue*. Most not-ready-for-issue material is either in need of repair - or in various stages of repair. To track an item's repair status, an IM uses condition codes. Various condition codes are assigned to an item as it moves through the various stages of repair, better known as the repair cycle. Supply condition codes are identified in Appendix 10.

08406 DEPOT REPAIR CYCLE

1. DEPOT REPAIR CYCLE. The total repair process is called the Depot Repair Cycle: the unserviceable unit enters in F condition, is repaired, and returned to stock in A condition:

The Depot Repair Cycle

- a. Field Repair – The first attempt to repair an item; it occurs at the Intermediate Maintenance Activity (IMA) level.
- b. Retrograde – Return of failed DLRs (carcasses) to the system from users.
- c. Accumulation – Carcasses are accumulated and stored until there is a requirement
- d. Transfer to Maintenance – Carcasses are moved to the designated overhaul point.
- e. Maintenance – Carcasses undergo repair. It's often called Repair Turn-Around-Time.
- f. Transfer from Maintenance – The repaired item is reported in A condition and shipped to the requisitioner or to stock.
- g. Pick, Pack, and Ship – If stock, the FISC or DLA storage activity locates, packs, and ships the newly repaired item to the customer.
- h. Deliver – Transport time from stock to the customer.

2. PROCESSING REPAIR REQUIREMENTS. The cognizant Systems Command or Project Manager (PM) will assign depot level maintenance activities as Designated Overhaul Points (DOPs). For organic repair, MTR material is centrally accumulated and processed at a Designated Support Point (DSP) or FISC; for commercial repair, MTR material is centrally accumulated and processed at an Advance Traceability And Control (ATAC) HUB. The inventory manager will induct MTR material and compute and transmit the specific repair requirements to the DSP, the HUB, or the commercial repair activity. In order to help a DSP/HUB/Commercial activity process a repair requirement coming from more than one IM, standard repair induction and repair response formats will be used.

08409 SUBMITTING REQUISITIONS FOR DLRS

1. STOCK FUNDED. Stock funded non-aviation DLRS are carried in Budget Project (BP) 81. Cogs 7E, 7G, 7H, and 7N apply. Stock funded AVDLRS are carried in BP 85 and managed as 7R cog. Requisitions for 7_ cog stock funded DLRS will contain an advice code in the 5_ series. Requisitions for 7_ cog items which contain other than a 5_ series advice code, are automatically rejected back to the requisitioner. Advice codes are identified in Appendix 1.

2. ADVICE CODES. The advice code indicates the nature of the requirement and the availability of a turn-in. They are mandatory for all DLR requisitions and appear in card columns 65-66 of the requisition. An exchange requisition means a turn-in is available. A non-exchange requisition means a turn-in is not available. The only acceptable DLR Advice Codes are:

Advice Code	Demand Code	Code Description
5A	R	Non-exchange/Standard Price
5D	N	Non-exchange/Standard Price
5E	P	Non-exchange/Standard Price
5G	R	Exchange/Net Price
5R	P	Exchange/Net Price
5S	R	Exchange/Net Price
5V	R	Exchange/Net Price
5W	R	Non-exchange/Carcass Value
5X	R	Non-exchange/Standard Price
5Y	P	Exchange/Net Price
52	R	Exchange/Net Price
53	R	Non-exchange/Standard Price
54	N	Non-exchange/Standard Price
56	R	Exchange/Net Price
57	N	Non-exchange/Standard Price
58	N	Non-exchange/Standard Price
59	N	Non-exchange/Standard Price

3. QUANTITY. With the exception of the below listed items, DLR exchange requisitions (Advice Code 5G, 5R, 5S, 5V, 5Y, 52 and 56), as well as DLR non exchange requisitions (Advice Codes 5X or 59), are limited to a quantity of one per requisition. When a DLR exchange requisition is received for more than a quantity of one, the requisition will be rejected with N9 status code.

- a. FSC 2620 (aircraft tires)
- b. FSC 5845 (transducers and hydrophones)
- c. FSC 6665 (radiac equipment)
- d. allowance or load list range and depth increases (non-exchange)

4. PRICING. Because repairing a DLR item is generally less expensive than procuring a DLR, one of two prices can be charged: Net Price is billed users when a NRFI DLR has been or will be turned-in; Standard Price is billed users when a NRFI DLR will not be turned-in. The requisition advice code, which indicates the availability of a turn-in, is used to determine the price.

a. Standard Price. Standard Price is the full price of a DLR item charged to an end-user. The wholesale manager will charge end users the standard price when an NRFI unit is not turned in to the wholesale supply system (advice codes 5A, 5D, 5E, 53, 54, 57, 58). Stock-In-Transit (SIT) transfers between Navy Working Capital Fund (NWCF) activities will be billed and carried in stores accounts at this price.

b. Net Price. Net Price is the cost to repair a DLR item and is based on the pre-established item repair cost. It's the price charged when a NRFI unit has been or will be turned in (advice codes 5G, 5R, 5S, 5V, 5Y, 52, 56). If the NRFI unit is not turned in, Carcass Value (the difference between Net Price and Standard Price) is billed to the end user by the ICP.

c. Carcass Value (Turn-In Credit). Carcass value is the difference between the standard and the net price, i.e., the value of the NRFI item. NAVICP PHIL/MECH monitor the return of NRFI retrograde and prepare billings for carcass value when NRFI retrograde is not returned. Carcass value is also used for Advice Code 5W requisitions where organic depots requisition a NRFI DLR at a reduced price. Also, carcass value is the credit value for excess NRFI DLRs turned in to the supply system under the Material Returns Program for which a procurement requirement exists through the budget year.

5. FMS AND INTERSERVICE REQUISITIONS

a. Foreign Military Sales Repairables are requisitioned at the Standard Price plus applicable FMS surcharges; credit will continue to be determined separately based upon the FMS Credit Allowance Matrix contained in NAVSUPINST 4900.43. Issues of carcasses are based upon the same matrix.

b. Interservice requisitions from other services will continue to be sold at the Standard Price; credits are 65 percent of the Standard Price when an NRFI carcass is turned in. Document number matches are not possible for these actions since different document numbers are used.

c. U.S. COAST GUARD. The Coast Guard may be treated as a Navy customer if the equipment being supported is a Navy equipment. When treated as a Navy customer, the USCG will cite advice codes in the same manner as for USN requisitions and be billed for Standard or Net Price. Turn-in of material is the same as for "Navy" customers. For USCG owned equipments, requisitions are treated as interservice requisitions and credit for NRFI carcasses depends on actual receipt of the carcass. Service Code Z applies.

d. U.S. MARINE CORPS. Requisitions with R, V, N, or M service codes are billed at Net Price when appropriate advice codes are used. Turn-in procedures, including carcass tracking, are the same as for Navy customers.

08412 LOCAL ISSUE OF DLRS

1. GENERAL. The Naval Aviation Maintenance Program (NAMP) Manual, OPNAVINST 4790.2, and the Fixed Allowance Program require full accountability for all MTR material issued for requisitions of supported activities. The MTR control system must, at a minimum, provide the following features:

a. Issues of MTR material for A Purpose Code stock resulting in an expenditure from the "A" Purpose Code on hand balance. The TIR reporting the issue to the Inventory Manager should contain the document number of the customer requisition.

b. Issues of MTR material from End Use Owned Fixed Allowance W Purpose Code stock results in the establishment of a W Purpose Code Due-In From Maintenance (DIFM) and includes IOU status, not yet turned in. Note: The total W Purpose Code MSIR on-hand quantity remains unchanged pending disposition of the unserviceable turn-in. An issue is generated when it's determined that the item is Beyond the Capability of Maintenance (BCM), reducing the W-MSIR on-hand quantity field.

c. Procedures must ensure: proper advice coding of requisitions in accordance with Appendix 1, accurate Transaction Item Reports (TIRs) and retrograde shipping documents, and expeditious retrograde movement.

d. Unserviceable MTR material retrograded to a HUB or DSP/DOP is assigned document numbers as follows:

(1) NRFI Returns as the Result of a Wholesale Issue. The retrograde will use the document number that appears in the exchange issue requisition.

(2) NRFI Returns as the Result of an End-Use Issue. The retrograde is returned citing the document number of the stock replenishment requisition document number in lieu of the original requisition document number. Activities will generate a stock replenishment document number and will generally cite the advice code from the original requisition. (Note that Advice Codes 5G/5V is used rather than 5S/52 for replenishment of end-use issues.) Advice Code 5X will not be used for end-use stock replenishment.

08415 ISSUE/REPLENISHMENT OF DLR END-USE OWNED INVENTORIES

1. POLICY AND GUIDANCE.

a. DLR inventories held in W and L Purpose ashore are under End-Use ownership. Inventories include:

(1) Shore activities 7_ and 0_ cog.

(2) AV207 activities (e.g., CVs, LPHs, LHAs and MAGs) 7 cog COSAL under fixed allowance.

b. All APA/O_ cog DLRs within AV207 and all APA cog DLRs in SHORCAL W and L Purpose inventories are managed similar to End-Use for requisitioning and carcass tracking.

c. STOCK REPLENISHMENT OF NWCF OWNED INVENTORIES IN PURPOSE CODE 'W' or 'L'. Issues of NWCF inventories (as the result of a non-exchange issue or an exchange issue when a BCM decision is made on the unserviceable DLR) will cause a stock replenishment AO_ requisition to be submitted to the NAVICP. The requisition will cite Fund Code 26 and Advice Code 5X or 59. The document number of the stock replenishment requisition will be a different document number than the document number used on the exchange or non-exchange issue transaction.

d. NEW OR INCREASED FIXED ALLOWANCES.

(1) SHORCAL 7R COG. NWCF activities will submit AO_ requisitions with Advice Code 5D or 58, citing NAVICP PHIL Central Fund Code QZ direct to NAVICP PHIL.

(2) SHORCAL 7E/G/H/N COG. NWCF activities submit AO_ requisitions for NAVICP MECH 7_ cog items off-line to NAVICP PHIL for funding. These requisitions will cite Advice Code 5D or 58 and Fund Code QZ. NAVICP PHIL then passes them to NAVICP MECH for fill.

(3) SHORCAL 0_/APA COG. Submit A0_ requisitions with Advice Code 5D and Fund Code Y6.

e. SHORCAL ISSUES FROM NWCF OWNED 7_ COG INVENTORIES IN PURPOSE CODE 'W' or 'L' to NON-SUPPORTED CUSTOMERS. Issues from NWCF owned SHORCAL inventories to non-supported customers or in response to NAVICP referrals will generally be accomplished as a SIT Transfer with the activity making the issue sending in a D7K SIT Transfer TIR to the NAVICP.

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f. DAMAGED IN NWCF INVENTORY. SHORCAL shelf stock damaged inventory that cannot be repaired by the AIMD and is BCM'ed is issued from Purpose Code 'W' or 'L' inventories as a SIT Transfer; the attendant D7K SIT Transfer TIR is submitted to the NAVICP. The DD1348-1A used for shipping the retrograde will contain a Document Identifier of 'BC2' which alerts the HUB to report a SIT Receipt with the attendant D6K SIT Receipt TIR (and not the normal D6A Receipt TIR).

g. D6R NRFI SHIPMENT NOTIFICATION. D6Rs are submitted by mechanized activities to the NAVICP when an exchanged DLR carcass is shipped to the HUB or DSP/DOP. The D6R transaction will require a mandatory condition code entry of F for NRFI shipments, A to indicate an RFI shipment and K to indicate an Engineering Investigation (EI) shipment.

h. DEMANDS FROM SUPPORTED CUSTOMERS. When a demand from a supported customer cannot be satisfied (NIS/NC) from NWCF owned Purpose Code 'W' or 'L' inventories, the requisition is passed by the SHORCAL activity as an A4_ requisition to the NAVICP.

08419 INVENTORY MANAGER RESPONSIBILITIES

1. REPAIR PROGRAM DEVELOPMENT. IMs coordinate with Systems Commands/Project Managers, field technical offices and DOPs/DSPs in the development of repair programs as they relate to specific equipments or types of items and as they relate to specific DOPs/DSPs. Detailed procedures are beyond the scope of this publication; however, general guidance is contained in the Navy Repairables Management Manual (NAVMATINST 4400.14).

2. MATERIAL MOVEMENT. IMs move unserviceable items at reporting activities as follows:

a. BETWEEN REPORTING ACTIVITIES. By means of a Redistribution Order (A2_) constructed in accordance with Appendix 28. The priority assigned may be as high as that reflected in the MRIL. The consignee is provided a Prepositioned Material Receipt Card (DWK) as prescribed for regular stock redistribution.

b. FROM A REPORTING ACTIVITY TO A COMMERCIAL REPAIR FACILITY. By means of a Referral Order (A4_) constructed in accordance with Appendix 28. The priority may be as high as that reflected in the MRIL.

3. REPAIR SCHEDULING. Appendix 28 shows the formats used to forward repair directives. Material may be consigned to a non-Navy DOP/DSP (commercial or interservice) directly from end-use or may be collected at an accountable Navy reporting activity and shipped to a non-Navy DOP/DSP by means of a Referral Order (A4_). Material will not be consigned or shipped to a non-Navy DOP/DSP without prior establishment of a valid repair agreement and designation of an office to maintain financial accountability.

4. ACTION BASED ON REPAIR SCHEDULE REPLY CARDS. Paragraph 08455.5 provides for the submission of Repair Schedule Reply Cards by Navy DCPs/DSPs to the applicable IM for cases in which the full quantity on Type WS or WP schedules cannot be inducted. Upon receipt of such cards, IMs will take action to:

- a. Prevent further scheduling at the DOP/DSP until action has been taken to correct the noninduction reason.
- b. Request systems command approval/assistance to develop alternate repair sources.
- c. Compile, summarize, and distribute management information obtained from Repair Schedule Reply Cards to advise higher commands of required actions.

Section II: RETROGRADE

08423 GUIDANCE FOR DLR TURN-INS

1. TURN-INS. Because MTR material is essential to operating sophisticated weapons systems, it requires special management in the return (retrograde) portion of the repair cycle. Special procedures have been developed to ensure efficient control of this material. This section provides guidance for Fleet and Shore End-Use customers generating turn-ins of 7_ cog DLRs.

a. Turn-ins of 7_ cognizance DLRs are shipped in accordance with instructions contained in the Master Repairable Item List (MRIL) unless the ICP directs otherwise. The MRIL is a list (of selected Navy items) which is used to identify and provide disposition of their NRFI repairables. FISCs will ship unserviceable DLRs to a centralized DLR processing location on the east or west coast, called a HUB, based on the nearest geographic location. The HUB provides full technical screening on receipts, packing/preservation, transaction reporting, and consolidated shipping to the appropriate Designated Support Point.

b. For turn-ins being made concurrently or subsequent to requisitioning the replacement item (requisition reflects Advice Code 5G, 5R, 5S, 5V, 5Y, 5Z, or 56) the document number of the original requisition must be used. Prepare the 1348-1A by placing an E in rp 72 to indicate the turn-in is an exchange. Use the same fund code for the turn-in document as the requisition.

c. The ICP will generate a BK1 follow-up on turn-in items for which no match has occurred. Follow-ups must be responded to within 21 days with a BK2 or D6R response indicating whether or not a turn-in has been made. If the customer indicates no carcass was turned in, or does not respond with a BK2 or D6R transaction, action is taken to advise the customer that he will be billed for the difference between the Standard and Net Price. The ICP will advise the customer of the intent to bill by means of a BK3 transaction. If the customer advises that no carcass is turned in, or fails to respond, and the carcass is not TIRed by a transshipper/Designated Support Point (DSP), the ICP will bill for the carcass.

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d. If the customer responds or turns in a carcass after the ICP has billed, the ICP will reverse the billing and advise the customer of the reverse billing decision via a BK4 transaction.

e. 7_ cognizance DLRs which are excess to customer requirements are processed through the current credit interrogation program. Credit is granted or denied in accordance with the matrix shown in paragraph 08482.2. However, for these turn-ins, place a "C" in rp 72 of the 1348-1A to indicate that the turn-in is excess material returned to store. Failure to enter this code will result in a no credit determination for non-RFI turn-ins.

f. Packaging, preservation and marking of 7_ cognizance DLRs are in paragraph 07055.

(1) Provide the second and third copies of Form 1348-1A turn-in document to aid in carcass identification, speed induction, and provide turn-in document number at the DOP/DSP.

(2) Provide one legible copy of the Ships Maintenance Action Form (OPNAV Form 4790/2K) or fourth copy of the Visual Information Display System/Maintenance Action Form (VIDS/MAF) (OPNAV Form 4790/60) to enable the DOP to speed fault isolation and thereby decrease turnaround time.

(3) Provide the Scheduled Removal Component (SRC) card (OPNAV Form 4790/28A) when applicable.

(4) To ensure identification throughout the complete repair cycle, identification tag DD Form 1577-2 or DD Form 1577-3 must be securely attached directly to the NRFI DLR carcass.

(5) Only the fourth copy of the 1348-1A should be attached to the outside of the shipping container. This copy is used by the receiving FISC/transshipper to record receipt of the NRFI DLR by the supply system, report receipt by document number to the ICP to close out carcass tracking, and prepare transshipment documentation.

08427 LOCAL SUPPLY DEPARTMENT CARCASS TURN-IN PROCEDURES

1. PROCESSING TURN-INS.

a. If the replacement unit was issued on referral from local A Purpose Code stocks, or requisitioned from the Supply System, the unserviceable unit is processed as follows:

(1) If the replacement unit was a remain in place and the unserviceable unit is subsequently repaired at the local or intermediate maintenance level, the unit is returned to A Purpose stock. Transaction reporting activities will report the receipt using DOC ID D6A and the customer's requisition document number with a Management Code E and a Condition Code of A.

(2) If the unserviceable unit cannot be repaired locally, the unit is shipped to the activity's geographic HUB unless it is an authorized exception.

(a) If the unit is to be shipped to a HUB, a 1348-1A is prepared in accordance with Appendix 28 using DOC ID BCI. Mechanized FISCs will prepare a D6R shipping notification in accordance with Appendix 28 when shipment action is complete and forward it to the ICP for carcass tracking purposes. All documents will cite the appropriate exchange issue requisition document number.

(b) If the MRIL indicates that the unit is excluded from shipment to the HUB, it is processed as follows:

1. If take up on local records is indicated, transaction reporting activities will process the material as MTIS and will report the receipt using DOC ID D6A under the customer's requisition document number citing Purpose Code A, Condition Code F, and Management Code E.

2. If retrograde shipment to a Navy DSP/DOP other than a HUB is indicated, a 1348-1A is prepared in accordance with Appendix 28 using DOC ID BC1. When shipment action is complete, a D6R transaction report is prepared in accordance with Appendix 28 by mechanized FISC/DD and forwarded to the ICP for carcass tracking purposes. All documents will cite the exchange issue requisition document number.

3. If retrograde shipment to "Other Services" is indicated, a 1348-1A is prepared in accordance with appendix 28 using DOC ID BC2. A D6A/D7B wash-through TIR (receipt and expenditure are forwarded to the ICP. In addition, if the MRIL indicates the item is a nonconsumable Item Material Support Code (NIMSC) 5, an FTA and subsequent FTM (Shipment/Status cards) are TIRed to the ICP. All documents will cite the exchange issue requisition document number.

4. If retrograde shipment to a Commercial Repair Facility is indicated, a 1348-1A is prepared in accordance with Appendix 28 using DOC ID BC2. A D6A/D7M wash-through TIR (receipt and expenditure) is forwarded to the ICP. All documents will cite the exchange issue requisition document number.

NOTE: Non-TIR activities will not ship to an "Other Service" or Commercial Repair Facility.

(c) If material is inadvertently picked up on stock and financial records, transactions are reversed and processed correctly. If the transactions cannot be reversed, the following actions are taken:

1. Reporting Activities. No action required; material is redistributed as required by the inventory manager.

2. Nonreporting Activities. Material identified as subject to shipment to another activity (as a result of stock reviews, inventories, etc.) is issued and shipped on documentation prepared in accordance with Appendix 28.

b. If the replacement item was issued from end-use (Purpose Code W) stocks, the unserviceable unit is processed as follows:

(1) If the unserviceable unit is locally repaired, return the unit to Purpose Code W.

(2) When local repair is unsuccessful, the activity will assign a stock replenishment document number to the turn-in. Activities will stock replenish after the turn-in is completed. The stock replenishment requisition will generally cite the advice code of the original requisition (Advice Code 5G/5V is used in lieu of 5S/52).

(3) Activities will process unserviceable units in accordance with 08440, using the newly assigned stock replenishment document number in lieu of the original requisition document number.

c. If the unserviceable unit is carried within the Navy Working Capital Fund (NWCF) Stores Account or other than W/L Purpose Code Appropriation Purchase Account (APA) (Purpose Codes A, V), not related to an exchange issue (i.e., shelf repair), the following applies:

(1) If take-up on local stock records is indicated, reporting activities will process Condition and Purpose Code (i.e., V to A) transfers to effect a transfer to A Purpose, F Condition. DAC/DAD TIRs are sent to the ICP.

(2) If retrograde shipment to Navy, Commercial, or Other Service is indicated, a 1348-1A is prepared in accordance with Appendix 28 using DOC ID BC2. Files are updated with appropriate Condition/Purpose Code transfers and BC2 expenditure. DAC/DAD and supporting D7K/D7M/D7B TIRs are forwarded to the ICP.

d. If the unserviceable unit is carried within the End Use Account (Stores Account 55000) or within W/L Purpose as APA and is not related to an exchange issue (i.e., shelf repair) process as follows:

(1) If the shelf repair unit is repaired locally, this unit stays in A Condition.

(2) When the unit cannot be repaired locally, it's issued to the Supply Department on an AO_ requisition.

(3) A stock replenishment document number is generated to replace the NRFI. This stock replenishment document number is used on the unserviceable 1348-1A turn-in with an Advice Code of 5G/5V.

(4) The unserviceable unit is shipped to the HUB unless specifically excluded from shipment to the HUB.

(5) If shipment is to a HUB, a 1348-1A is prepared in accordance with Appendix 28 using DOC ID BCI. When shipment action is complete, an NRFI shipment notification document (DOC ID D6R) is prepared and forwarded to the ICP for carcass tracking purposes. The document number used for the shipment is the stock replenishment document number.

(6) If the activity is designated as the DSP, the NRFI material is processed as MTIS and reported to the ICP using DOC ID D6A under the stock replenishment document number citing Purpose Code A, Condition Code F and Management Code E.

(7) If the material should be shipped to a DSP instead of the HUB (an authorized exception), it is processed in accordance with subparagraph 08440-2 except that the document number on the shipment is the stock replenishment document number.

e. HUB Activities will screen all BCI receipts. Errors in identity and/or quantity found are to be corrected in the receipt process (i.e., process actual NIIN and actual quantity); a ROD is generated by the HUB. Once the receipt is screened, it is processed through the mechanized MRIL for disposition action as follows:

(1) If the MRIL indicates the HUB is this item's DSP, process the material receipt using DOC ID D6A under the document number from the BCI, citing Purpose Code A, Condition Code F and Management Code E (or Management Code C if C is indicated on the 1348-1A).

(2) If the MRIL indicates shipment to a Navy DSP/DOP, prepare a 1348-1A in accordance with Appendix 28 using DOC ID BC2. A D6A/ D7K wash-through TIR (receipt and expenditure) is forwarded to the ICP. Perpetuate the document number from the BCI.

(3) If the MRIL indicates shipment to another Service, prepare a 1348-1A in accordance with Appendix 28 using DOC ID BC2. A D6A/ D7B wash-through TIR (receipt and expenditure) is forwarded to the ICP. In addition, if the MRIL indicates the item is an NIMSC 5, an FTA and subsequent FTM (shipment/status card) are TIRed to the ICP. Perpetuate the document number from the BCI.

(4) If the MRIL indicates shipment to a commercial repair facility, a 1348-1A is prepared in accordance with Appendix 28 using DOC ID BC2. A D6A/D7M wash-through TIR (receipt and expenditure) is forwarded to the ICP. Perpetuate the document number from the BCI.

08430 RETROGRADE – SPECIAL REQUIREMENTS

1. GENERAL. Because MTR material is essential to operating sophisticated weapons systems, it requires special management in the return or retrograde portion of the repair cycle. Therefore special procedures have been developed to ensure efficient control of this material.

2. TURN-IN OF UNSERVICEABLE MTR MATERIAL. The procedures prescribed in paragraph 08440 are used to process the turn-in of this material by minimizing screening and handling to the degree possible. Non-consignee activities (i.e., activities originating or transshipping turn-ins) will generally not pick up MTR material on stock or financial records unless the MTR material is part of the activity's fixed allowance. In this case, the MTR material is carried on the activities stock and financial records until it becomes unserviceable and beyond local repair. Consignee activities will use the controlled or pre-post method to pick up material. FBM (Fleet Ballistic Missile) material used by FBM activities is processed in accordance with procedures established by the Strategic Systems Project Office; other users of FBM material will process such material in accordance with procedures contained here.

3. AIRCRAFT ENGINES AND COMPLETE ENGINE REPAIR (CER) POOL COMPONENTS. Aircraft engines are handled and documented as any other MTR components except that the additional requirements outlined in NAVAIR Instruction 13700.1 series is followed. Due to the high cost and criticality of most engines, special care is taken to ensure prompt and proper processing. CER compressor rotor standby pool items shall be documented and handled in accordance with procedures contained in NAVAIR Instruction 4700 series.

4. FIXED ALLOWANCE PROGRAM. MTR material in stock for support of local activities is considered part of the negotiated fixed allowance. The support echelon may not exceed the fixed allowance quantity and must retrograde an unserviceable MTR to the applicable DSP before requisitioning a replacement for stock. With limited exceptions, the local support echelon must enforce a strict one-for-one MTR exchange policy with supported activities. An Inventory Control Point except as a last resort to meet high priority operative requirements will not redistribute fixed allowance MTR material.

5. INTERIM SUPPORT. New items that are contractor supported on an interim basis (with free issue to requisitioners) are carried in "Zero Cog" until Material Support Date. Zero cog allows control and identification of this material, free issue to requisitioners from SHORCALs and COSALs; it also develops demand information in advance of MSD. Zero cog material reflects the interim period before full Navy support. Zero cog items are managed and reported through the inventory control point. Zero cogs relate to the Navy Working Capital Fund (NWCF) cogs where the following items will migrate to after Material Support Date:

1H = 0J	7H = 00
7G = 0U	7E = 0M
1R = 0Q	7R = 0R

08433 MASTER REPAIRABLE ITEM LIST (MRIL)

1. GENERAL. The basic source of retrograde information on MTR material is the MRIL (Master Repairable Item List). It provides complete retrograde shipping data for MTR items beyond local repair capability. Procedures for processing field level repairables are contained in NAVSUPINST 4440.159.

2. DEFINITION. The MRIL is a list (of Navy items) which is used to provide fleet activities with data to identify and disposition their NRFI repairables. It includes repair level data, shipping data, and/or local disposal directions. If an item is unserviceable and can't be repaired locally, refer to the MRIL to identify which Designated Overhaul Point (DOP) to turn the item in to for repair.

3. PUBLICATION AND DISTRIBUTION. The MRIL is published monthly by Defense Logistics Services Center on the FEDLOG CD_ROM. The MRIL is divided into two parts: one containing a listing of items and the other containing shipping addresses. The MRIL must be used in conjunction with the NAVSUP P-485 Volumes III and I, NAVSUP P-484 (Supply Afloat Packaging Procedures), and NAVSUPINST 4440.157 (Material Turned Into Store Manual). FBM (Fleet Ballistic Missile) activities will use the FBM Master Repairable List and SSPOINST 4423.39 (series) to process Strategic Systems Project Office material.

4. USING THE MRIL. The MRIL is used by the operating forces and shore activities to identify the retrograde receipt activity and expedite movement of items to be repaired. The MRIL provides information that's necessary to repair a carcass and complete the repair cycle successfully. Using the MRIL saves time and money in repairing a carcass. This means improved material availability and reduced inventory investment. All Navy UADPS activities have access to the MRIL.

5. MATERIAL PRIORITY DESIGNATOR. One area of the MRIL subject to change is the Material Priority Designator (MPD). The IM can lower the MPD of the retrograde movement in trying to expedite shipment of the carcass to the DOP/DSP. IMs provide input to the MRIL as specified in NAVSUPINST 4400.76.

08435 CARCASS TRACKING

a. Carcass tracking is an integral part of DLR management. Under stock funding, accurate carcass tracking is even more significant due to the impact on customer funding for carcasses not returned to the supply system. Total system carcass tracking monitors the carcass return of each NRFI unit associated with an exchange advice code document. Carcass tracking follows the NRFI unit from end user (point of BCM) via HUB or TIR transshipment points to final DSP destination.

b. When the NRFI unit is returned to the supply system on a BCI, a D6R from mechanized activities is TIR'd to the ICP, which will turn off carcass tracking and additional billing to the end user (BCM activity).

c. When a carcass is received at a TIR transshipment point or DSP, a D6A/D6K or transshipment D7K/D7B/D7M will also turn off tracking and billing to the end user.

d. When the supply system has not received/cannot identify the carcass return within the authorized time frames, the ICP will follow-up to the requisitioner/supplementary address (as indicated by signal code) via DOC ID BK1 to locate the NRFI return.

e. Customers will respond to the ICP with a BK2 within 21 days of the BK1 date. The ICP will indicate an acceptance of a BK2 with a BKA.

f. The ICP will indicate rejection of a BK2 with a BKR. The reason for rejection in rp 65 is analyzed. The customer will prepare a corrected BK2 and return to the ICP within 21 days.

g. The customer will report the disposition of the carcass via DOC ID BK2. If the requisitioner does not respond to the BK1 interrogation within the ICP specified parameter number of days, a BK3 Notification of Billing is sent to the customer. Formatted BK2 messages must be addressed to Defense Automated Addressing System (DAAS), Dayton, Ohio with an information copy to the appropriate Inventory Control Point (ICP). Record Positions (rp) 4-6 of the BK2 follow-up will contain the Routing Identifier Code (RIC) of the appropriate ICP (N32 = NAVICP PHIL and N35 = NAVICP MECH). RPs 41-46 of the BK2 identifies the HUB activity where the NRFI material will be shipped or the Node's UIC.

h. When the D6R or D7K indicates NRFI shipment and no receipt TIR D6A/D6K is received by the ICP, the ICP will follow-up to the TIR transshipment point or DSP via DOC ID BK5. Response to the BK5 is via BK6 or receipt TIR D6_. BK5/BK6s are only applicable to UADPS-SP activities and are sent to selected shore activities as identified by System Constant Area (SCA) tables.

i. If the BK2 response shows no turn-in was made, or if no reply is received by the ICP within the specified parameter number of days, the customer is billed for the difference between the Standard Price and the Net Price. The UADPS programs indicates the subsequent bill is the result of nonreceipt of a carcass by an X in rp 8 of the NAVSUP 1162 billing card. If the customer confirms that a carcass has been turned in, then a "system loss" of the carcass is recorded. Periodically, the surcharge is adjusted to account for "system losses." Since the follow-up procedures may overlap a fiscal year, the following policy applies where the follow-up billing occurs in a different fiscal year from the original requisition.

(1) For a requisitioner/issuer operating under financial procedures that obligate funds effective with the date of requisition, the funds are charged the fiscal year of the requisition Julian date. The D7A Issue TIR with an exchange advice code will generate the Net Price charge. Therefore, the obligation would be under the Issue document number.

(2) Items in the same family group are considered as the same item making them eligible for issue at Net Price. For example, if a customer requisitions NSN A and turns-in NSN B as an interchangeable item of the same family group, the customer receives the issue at Net Price. A carcass value bill is generated to a customer that turns in an incompatible item.

(3) Financial Inventory Report (FIR) codes (N8, E8, and E9) have been established to accommodate the NSA DLR exchange. See Chapter 9 and Appendix 31 for definitions.

(4) If carcass turn-in is made or identified after the additional billing change, the ICP reverses the additional billing and advises the customer via a BK4. If the customer can't respond to a BK1 or BK3 follow-up, and a Carcass Value Bill was received, the customer may request that the billing be reversed. The request for reversal, using a formatted BK2 message, is addressed to DAAS, Dayton, Ohio with an information copy to the ICP. Record Position 4-6 must contain the routing identifier of the ICP (N32 = NAVICP PHIL, N35 = NAVICP MECH). Customers should not use direct messages to the ICP unless existing BK2 response codes cannot be used to describe disposition of the retrograde.

j. BK_ documents are routed using the signal code and supplementary address of the original requisition. The activity responsible for the turn-in receives the BK1 and the activity responsible for billing receives the BK3 or BK4. The following table details BK_ document routing per Navy program logic; however, please note that – for signal codes B and J – DAAS also provides a copy of the BK1/BK3/BK4 to the requisitioner and the supplementary address.

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If the Signal Code on the requisition is:	And the document to be sent is a:	The BK document is sent to:
A	BK1/BKR/BK3/BK4	Requisitioner
B	BK1/BKR	Requisitioner
B	BK3/BK4	Supplementary Addressee
J	BK1/BKR	Supplementary Addressee
J	BK3/BK4	Requisitioner
K	BK1/BKR/BK3/BK4	Supplementary Addressee
C/L	BK1/BKR/BK3/BK4	Requisitioner

Note: before using this table, check project codes for signal code override. BK1, 3, and 4 documents are sent to Supplementary Address for some project codes. BK1, BKR, BK3, and BK4 documents go to Supplementary Address for others. For signal code B and J, DAAS sends BK1/BK3/BK4 documents to both.

- k. BK_ and the D6R transaction are described in Appendix 28.
 - l. BK document transmittal during minimize is authorized; they are processed by DAAS along with other logistic documents.
 - m. Guidance for fleet and shore end use customers generating turn-ins of 7_ cognizance DLRs is prescribed in paragraph 08440.
2. MANDATORY NRFI TURN-INS. The criteria for use of BC1/BC2 on the shipping document is as follows
- a. BC1 - Mandatory NRFI turn-in from end user.
 - b. BC2 - Transshipment of NRFI.
 - NRFI turn-in direct to contractor.
 - Wholesale return with no customer issue (e.g., damaged wholesale shelf stock).
 - NRFI turn-in direct to Other Service DSP.
 - Transmitted by NWCF activities (for damaged inventory or damaged in shipment) to the nearest HUB or Node.
3. GUIDANCE FOR NON-TRANSACTION ITEM REPORTING (TIR) ACTIVITIES CARRYING DLRs IN STORES ACCOUNTS.
- a. Under end use, local issue of stock replenishment 7_ cog DLRs from W, L, Purpose End Use Inventories will not drive a sale or be carcass tracked. Requisitions for 7_ cog DLRs reflecting Advice Codes 5G, 5R, 5Y, 52, 56, 5S, or 5V are obligated and billed at Net Price for N, R, Y, M or Z service coded unit identification codes while all others are billed at Standard Price. Retrograde of exchanged material is done using DOC ID BCI and the document numbers of the replenishment requisition. The TIR activity receiving the retrograde TIRs using DOC ID D6A.

b. Non-TIR activities (ashore) only report issues of 7 and APA cognizance DLRs to the ICP via the B7A card format (see Appendix 28) for Purpose Code A assets. This action will provide the vehicle to the ICP for carcass tracking if stock funded and for extra billing of the customer for the difference between Standard Price and Net Price when a carcass is not turned in for a requisition which cited Advice Code 5G, 5R, 5S, 5V, 5Y, 56, or 52.

c. UADPS activities create the B7A format automatically if the issuing activity does not report to an ICP.

4. GUIDANCE FOR TIR ACTIVITIES.

a. Submit D6 transactions for material received from other than a procurement source to permit ICP visibility for carcass tracking.

b. The ICP will follow-up to the TIR transshipment point or DSP via DOC ID BK5 when the D6R or D7K indicates NRFI shipment and no receipt D6A/D6K has been received (SCA table - see paragraph 1f above). BK5 transshipment follow-ups are forwarded to UADPS-SP activities only. BK5s are not applicable to ships, DOSS or UADPS Level II activities. When a BK5 is received, the transshipping activity/DSP/selected shore activities will respond to the ICP within the ICP established parameters via BK6 or D6 receipt TIR.

c. Ensure that RFI Depot Level Repairables are taken into stock and that NRFI Depot Level Repairables are processed in accordance with the MRIL. DLRs are never to be processed as excess hold and report material.

d. Where the TIR activity is the billing activity, ensure that 7 cog DLR requisitions from N, R, V, M, or Z service coded requisitioners, which reflect Advice Code 5G, 5R, 5S, 5V, 5Y, 52, or 56 are billed at Net Price. All other requisitions, are billed at Standard Price, with the exception of Advice Code 5W. Requisitions with advice code 5W is billed at Carcass Value.

e. UADPS-SP activities will ensure that account cognizance symbols for all Navy-managed Depot Level Repairables are loaded into the System Constant Area (SCA) record, B0287. Centralized Accounting and Billing (CAB) activities need to update CAB cognizant SCAs H0251 and S0029.

MTR MATERIAL TRANSACTION REPORTING REFERENCE CHART

<u>Type of Action</u>	Decrease		Increase	
	<u>D/I</u>	<u>Cond</u>	<u>D/I</u>	<u>Cond</u>
Material Receipt - Turn-ins				
(1) DD 1348-1A D/I BC1 (MTIS)			D6A	As App
(2) DD 1348-1A D/I BC2 (OSO)			D6K	As App
Material Receipt - From Commercial Repair Facilities			D4M	As App
Issues - To Commercial Repair Facilities	D7M	As App		
Issues - To Other Navy Activities	D7K	As App		
Issues - To Other Services	D7B	As App		
Repair Processing - Induction	D9C	As App	D8C	M
Repair Processing - Return	D9C	M	D8C	As App
Repair Processing - Not Repairable To DRMO	D9C D7J	M H	D8C	H
Repair Processing - Not Repairable to scrap	D9C D9Z	M H	D8C	H
Repair Processing - Modification, induct old NSN	D9C	As App	D8C	M
Repair Processing - Modification, re-identify	D7L	M	D6L	M
Repair Processing - Modification, return new NSN	D9C	M	D8C	As App
Awaiting Parts - into AWP station	D9C	M	D8C	G
Awaiting Parts - out of AWP status	D9C	G	D8C	As App

Figure 2-3

5. THE FLEET AUTOMATED CONTROL TRACKING SYSTEM (FACTS).

a. Facts is used on naval operating forces units to provide intransit visibility of DLR retrograde to every point in the pipeline, from point of turn into receipt at a FISC or overhaul point. The program provides the capability to import BC1 data from SUADPS-RT or manually (for SFM). It produces bar coded Issue Release/Receipt Documents (DD Form 1348-1A (IRRDs)) that can be scanned by transshipment activities such as beach detachments and CLF ships, along with bar coded TCMDs and Shipping Labels. FACTS sends the DLR turn-in, shipping, and transshipment information to the NAVICP and ATAC database which allows DLR managers to have visibility of precisely where the material is. See NAVSUP P-485 Volume I 8330 for greater detail.

6. GUIDANCE FOR INVENTORY CONTROL POINT (ICP).

a. Use the Repairables Management Data System (RMDS) to track carcass returns for requisitions which contain Advice Codes 5G, 5R, 5S, 5V, 5Y, 5Z, or 56. Generate a BK1 follow-up to end use customers when no carcass TIR has been received within specified parameters.

(1) The customer responds to a BK1 with a BK2 within 21 days. The status of the turn-in is indicated as a Response Code in rp 47. Appendix 9 contains the BK2 Response Codes and Appendix 28 contains the format.

(2) Upon receipt of a BK2, the ICP verifies that the Response Code is valid for the document being tracked. If valid, the Repairables Management Carcass Tracking File (CTF) is updated with the response; carcass tracking and billing to the customer are turned off.

(3) When the BK2 is invalid, the ICP sends a Reject Status Card, DOC ID BKR with the Reject Reason Code in rp 65, to the customer. See Appendix 28 for BK2 Reject Reason Codes and BKR format. The response date in the CTF is reset. The customer identifies the reason for rejection and resubmits a corrected BK2. The ICP will indicate an acceptance of a BK2 with a BKA. See Appendix 9 for format.

b. When the D6R or D7K indicates NRFI shipment and no receipt D6A/ D6K has been received within the specified parameters, send a BK5 to the UADPS-SP transshipper DSP.

c. For stock funded DLRs, the ICP will take the following actions:

(1) If the customer indicates no carcass was turned in or does not respond with a BK2 transaction, action is taken to advise the customer that he is billed for the difference between the Standard and Net Price. The ICP will advise the customer of the intent to bill by means of a BK3 transaction. If the customer advises that no carcass is turned in or fails to respond and the carcass is not TIRed by a transshipper/Designated Support Point (DSP), the ICP will bill for the carcass. If the customer responds or turns in a carcass after the ICP has billed, the ICP will reverse the billing, if appropriate, and advise the customer of the reverse billing decision via a BK4 transaction with the appropriate reason code.

(2) If the customer indicates on a D6R/BK2 that a turn-in was made and the carcass has not been TIRed by a HUB transshipper/DSP within specified time frames, the value of the difference between the Standard and Net Prices is recorded as a carcass loss under FIR Captions M8 and D6. If a customer turn-in was received by a HUB transshipper/DSP, TIRed as a D6A, and subsequently shipped (D7K), and the material is lost in transit as indicated by the BK6 response to the BK5, the carcass loss is recorded at Standard Price under FIR Captions M5 and F4. These adjustments are accumulated in the FIR and are used for periodically computing DLR surcharge adjustments.

(3) Where the ICP is the billing activity, ensure that requisitions citing Advice Code 5G, 5R, 5S, 5V, 5Y, 5Z, or 56 are billed at Net Price. All other requisitions are billed at Standard Price except 5W which is billed at carcass value.

(4) Use current credit interrogation program to determine creditability of DLRs reported as excess to customer requirements. Credit is granted or denied in accordance with the matrix shown in paragraph 08482.

7. CANNIBALIZATION/MISSING ON INDUCTION (MOI).

a. Activities turning in a Weapons Replaceable Assembly (WRA) should not remove or cannibalize a Shop Replaceable Assembly (SRA). If an SRA is MOI, the turn-in activity is billed for the removed SRA if no turn-in is recorded for this unit.

b. When a Naval Aviation Depot (NADEP), Naval Weapons Support Center (NWSC), Naval Shipyard (NSY) or other type depot inducts a WRA to repair and determines an SRA is missing, a requisition for MOI SRA is submitted.

(1) If there is no accompanying documentation with the WRA turn-in such as: a 1348-1A, Visual Information Display System/Maintenance Action Form (VIDS/MAF), 2K form, or Not Ready For Issue (NRFI) tag with the WRA, no variance report can be submitted to the ICP. The requisition cites Advice Codes 5A/53, Project Code ZV3, and Fund Code XG, XH, or XJ.

(2) If there is a 1348-1A, VIDS/MAF, 2K form or NRFI tag accompanying the WRA that identifies the turn-in activity, a variance report is completed with the following data and sent to the ICP. The requisition will cite Advice Code 5G, 5V, 5S, or 52 as appropriate and the Project Code and Fund Code outlined above:

National Stock Number (NSN) of the WRA
Turn-In Document Number of the WRA
NSN and Nomenclature of the SRA
Turn-In Document Number used for replacement of the missing SRA

c. The ICP uses the data from the Variance Report to search the Carcass Tracking File (CTF) to determine if the missing SRA was turned in. If a turn-in is in the CTF, carcass tracking additional billing is closed on the depot's replacement requisition. If no turn-in is recorded, a follow-up is sent to the activity that turned in the WRA requesting turn-in information on the SRA. If the activity cannot provide turn-in information, it's billed for the missing SRA.

Section III: ACCUMULATION

08440 ADVANCED TRACEABILITY AND CONTROL (ATAC) PROGRAM

1. GENERAL. DLRs must be turned in through the supply system to the Designated Overhaul Point (DOP) or Designated Support Point (DSP). The Advanced Traceability And Control (ATAC) program expedites the return of retrograde Not-Ready-For-Issue (NRFI) DLRs to the supply system. ATAC is dedicated to retrograde DLRs returned to the supply system as an exchange for Ready for Issue (RFI) materiel or as turn-ins for credit. ATAC establishes (1) a central location called a HUB that processes retrograde, and (2) NODES for transshipment. The Nodes TIR the receipt and ship the retrograde to the Hub for processing.

2. ATAC PROGRAM.

a. DEFINITION. ATAC provides for the return of NRFI DLRs - with some exceptions - to the nearest geographic transshipper called a HUB. A HUB is a centralized DLR processing location on the east or west coast, namely FISC Norfolk and FISC San Diego. Navy users will return NRFI DLRs directly to their HUB, based upon geographic location. Ships/MAGs may offload material at the nearest FISC for shipment to the nearest geographic HUB. Marine Corps Air Stations supported by MCAS Cherry Point will turn in NRFI DLRs to MCAS Cherry Point.

b. BENEFITS. The HUB provides full technical screening on receipts, packing/preservation, transaction reporting, and consolidated shipping to the appropriate Designated Support Point (DSP)/Designated Overhaul Point (DOP) of retrograde repairables. ATAC provides benefits to afloat forces by providing preaddressed labels to eliminate searching for a DSP/DOP address in Part II of the MRIL. It also reduces shipping time and facilitates faster Transaction Item Reporting of receipts by the HUB; the number of carcass tracking follow-ups (BKIs) is minimized. By using traceable means and high priority transportation, DLR losses are minimal and the carcasses arrive at the DSP/DOP more rapidly for repair and return to Ready For Issue (RFI) condition. This improves supply system availability and fleet readiness and reduces the Navy's pipeline investment. The supply system is more responsive.

c. LOCATIONS. When an item is ready for shipment, it should be sent to the nearest HUB/NODE. CONUS activities east of the Mississippi, Gulf Coast activities, and ex-CONUS activities west of Diego Garcia will return NRFI DLRs to FISC Norfolk. CONUS activities west of the Mississippi and WESTPAC activities will return NRFI DLRs to FISC San Diego. Marine Corps Air Stations supported by MCAS Cherry Point will turn in NRFI DLRs to MCAS Cherry Point. Geographic HUB sites and the areas they support are listed below:

(1) FISC Norfolk - All CONUS activities east of the Mississippi and on the Gulf Coast and all EX-CONUS activities and afloat forces west of Diego Garcia - including the Mediterranean.

ATAC DLR Agent (N68620)
406 B Street Bldg. SP237
NAS Norfolk, VA 23511-4290
Phone: (757) 440-1452

(2) FISC San Diego - West of the Mississippi and the Pacific, including the Philippines and Diego Garcia.

ATAC DLR Agent (N46433)
NAS North Island Det
Bldg. 661, Augusta Lane
San Diego, CA 92135-7092
Phone (619) 435-4147

(3) MCAS Cherry Point is an ATAC NODE that performs all functions related to a HUB and provides service for the Marine Air Groups assigned to MCAS Cherry Point, MCAS New River, and MCAS Beaufort. After HUB processing, DLRs destined for DOPs other than Cherry Point are shipped by traceable means.

ATAC DLR Agent (N00146)
Bldg 147-B, Langley Road
MCAS Cherry Point, NC 28533
Phone: (919) 447-3163

d. THE ATAC/HUB CONCEPT AFFECTS ALL DLR COGS. ATAC changes shipping procedures for NRFI DLRs being returned to a DSP/DOP for repair. In addition, ATAC eliminates the requirement for activities to provide a copy of the DD 1348-1A shipping document to the ICP for NRFI DLRs shipped to a commercial or other service DOP. Since most NRFI DLR shipments with a final destination to a non-Navy DSP/DOP are via a HUB, the HUB wash-through receipt/shipment transactions will provide the appropriate documentation. Full screening of NRFI receipts is to be done at the HUB activities. Screening is conducted on BCI receipts only, since BC2 receipts are already screened. Errors in identity and/or quantity found on a BC2 are corrected after the receipt is processed.

e. EXCEPTIONS. Exclusions from the ATAC/HUB process are as follows:

(1) PROCESSING ACTIVITY IS A DSP. Non-HUB processing activities will take up the receipt of DLRs into inventory when the MRIL indicates that the processing activity is a DSP for that stock number.

(2) FIELD LEVEL REPAIRABLES (FLRS) 1H, 1R OR 3H Cog with MCC "D". Beyond Capability of Maintenance (BCM) FLRs will continue to be processed through the MRIL but will not be shipped via the HUB. Receiving Second Repair Site (SRS) will not process NRFI FLRs via the MRIL. To prevent MRIL processing FLR NRFI by transshippers and DSPs, a new DOC ID BST is used on FLR shipments to the SRS.

(3) FBM COMPONENTS. To prevent NRFI FBM DLRs from being shipped to a HUB, Ashore Mechanized MRIL activities load the System Constant Area (SCA) tables, used by the MRIL computer programs, with the appropriate Activity Sequence Code (ASC)

(4) F/A-L8 WHOLESALE SUPPORT SITES (WSS). To prevent NAS Cecil Field and NAS Lemoore from transshipping F/A-I8 WSS DLRs via the HUB, these two air stations will load their respective geographic WSS ASC into the MRIL SCA tables.

(5) LAMPS/VERT REP/SHIP'S EXPRESS/REPAIR AND RETURN. These DLR and FLR returns won't be shipped in accordance with the MRIL (or via the HUB) but are addressed to the receiving I Level. The proper DD 1348-1A DOC ID for these shipments is BMD.

(6) EXCESSIVE WEIGHT AND VOLUME. NAVSUP will provide guidelines to ashore activities to ship DLRs of excessive weight and volume direct to the MRIL DSP vice the HUB. This process will not be mechanized and will require manual intervention by the shipping activity. This does not apply to afloat forces.

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(7) DISPOSALS. FLRs coded for disposal by the MRIL will not be shipped to the HUB. Activities will dispose of FLRs in accordance with current procedures. DLRs are not authorized for automatic disposal. If the MRIL directs disposal, advise the ICP and request disposition.

(8) REDISTRIBUTION. NRFI DLRs shipped via an ICP Redistribution Order DOC ID A2_ will not be processed via the MRIL, including both the shipment and the receipt.

(9) READY FOR ISSUE (RFI). No activity (afloat/ashore) will originate shipment of RFI DLRs or FLRs via the HUB concept. Activities will follow existing procedures.

(10) CLASSIFIED ITEMS: Classified items are to be returned in accordance with Department of Navy Information Security Program Regulation, OPNAV Instruction 5510.1.

(11) HAZARDOUS/FLAMMABLE ITEMS: unless properly packaged and certified in accordance with Title 49 Code of Federal Regulations and NAVSUP P-505.

(12) SMALL ARMS: Small arms are shipped in accordance with Chapter 34 of NAVSUPINST 4600.70A.

(13) Aircraft Engines and Marine GasTurbine Engines.

(14) Nuclear DLRs under Special Material Identification Code (SMIC) X1 through X5.

(15) NAVSEA managed material (2F, 2J, 2S Cog items)

08445 FISC ROLE IN REPAIRABLES

1. GENERAL. If the NRFI material is not shipped directly to the repair depot after HUB processing, FISCs may act as collection points for NRFI assets. They also monitor depot timeliness, G condition support, NRFI requisitioning, and M condition reconciliation. Special procedures are used to improve FISC control and expedite the movement of repairables:

a. MATERIAL EXPENDITURES. Special advice code (5A, 5D, 5E, 5G, 5R, 5S, 5V, 5W, 5X, 5Y, 54, 52, 53, 56, or 57) is mandatory on all requisitions for repairables identified by Material Control Codes E, G, H, Q, and X. These advice codes are perpetuated in all Referral Orders (A4_) and Issue TIRs (D7_) except for referral orders made by the inventory manager (who must note the original advice code and may elect to replace it with another code).

b. MATERIAL RECEIPT. Repairables are processed using the controlled or prepost method as prescribed in 06160. The only exceptions are receipts which require screening.

c. REPAIR REQUIREMENT. Paragraph 08409 contains complete information on processing and transaction reporting of inventory manager generated repair requirements.

d. FIXED ALLOWANCE. Repairables for support of local operating activities are stocked in the quantities negotiated by the inventory control point with the local support echelon. These repairables are maintained as a fixed allowance in W Purpose Code (i.e., pool stock). Paragraph 08482 contains additional information on processing issues and turn-ins of fixed allowance repairables.

e. MRIL. The basic source of retrograde information on MTR material is the MRIL which provides complete retrograde shipping data for MTR items beyond local repair capability.

Section IV: TRANSFER TO MAINTENANCE

08450 SPECIAL TRANSACTION REPORT PROCEDURES FOR MANDATORY TURN-IN REPAIRABLE MATERIAL

1. RECEIPTS OF MTR MATERIAL WITH DOC ID BC1 OR BC2 ON THE FORM 1348-1A.
 - a. BC1: Process as MTR or carcass return receipt and transaction report using DOC ID D6A.
 - b. BC2: Process as OSO/Intransit receipt and transaction report using Document Identifier D6K.
2. FISCs using mechanized MRIL procedures will TIR receipt and issue of material received for transshipment. D6A/D6K and D7K/D7B/D7M TIRs are used. This action will clear the ICP carcass tracking system and prevent unnecessary follow-ups to customers.
3. COMMERCIAL REPAIR FACILITY ISSUES AND RETURNS.
 - a. ISSUES. Material on stock records at transaction reporting activities is released to commercial repair facilities only upon receipt of an inventory manager initiated Referral Order (A4_) prepared in accordance with Appendix 28.
 - b. RETURNS. Transaction report the receipt of commercially repaired material using DOC ID D6M/D6K. Prepare transaction reports in accordance with Appendix 28.

08453 PROCEDURES FOR PROCESSING REPAIR REQUIREMENTS

1. GENERAL. The procedures in this paragraph prescribe the reporting media and formats required for the orderly processing of repair requirements forwarded to DOPs/DSPs by inventory managers.
2. TYPES OF REPAIR DIRECTIVES. Three types of repair directives are prescribed for use at Navy DOPs/DSPs. Cyclic Repair Requirements (Type WS), Projected Repair Requirements (Type WP), and Interim Repair Requirements (Type WR). These repair directives are forwarded to Navy DOPs through the use of documentation constructed in accordance with the paragraphs below. Repair directives may be sent by message, letter, listing, or tape, the choice being dependent upon previous agreement between the inventory manager and the DOP/DSP. In those instances where additional data are required, inventory managers will mail trailer cards or listings to the DOP to supplement the basic data rather than using a revision to the entries of the card format.
 - a. CYCLIC REPAIR REQUIREMENTS (TYPE WS). These directives forward repair requirements at periodic intervals (weekly, bi-weekly or monthly). Repair induction quantities are limited to material available for immediate induction. To ease processing, the following special information is contained in Type WS repair directives (see format, Appendix 28):

(1) REPAIR LEVELS (rp 54-77). Divides the total induction requirement for each item (indicated in rp 25-29) into four levels based on urgency of need as follows:

Level 1 - Priority 01 backorders and other high priority special program backorders.

Level 2 - Other backorders.

Level 3 - Repair pipeline deficiency requirement.

Level 4 - Operating stock requirement.

(2) LEVEL CODE AND REPAIR RANKING CODE (rp 44-49). Expresses the relative urgency of induction of each item on the schedule in relation to all other items on the schedule. Record Position 44 shows the lowest (most urgent) Repair Level for which there is a requirement. The number on rp 45-49 is a computed figure based on system stock levels; the lower the number the more critical the requirement.

(3) PRODUCTION AND INDUCTION REQUIREMENTS (RP 54-77). States the repair requirement to show what needs to be inducted in order to meet total production requirements. Specific guidance is provided to DOPs/DSPs by the cognizant inventory manager.

b. PROJECTED REPAIR REQUIREMENTS (TYPE WP). These directives are used for items with stable or predictable demands for which economic benefits may be realized by scheduling larger quantities over longer periods of time (monthly, quarterly, or longer). Type WP directives are based on total requirements during a specific period of time and are not constrained to material immediately available for induction. (See format in Appendix 28.)

c. INTERIM REPAIR REQUIREMENT (TYPE WR). These directives are forwarded to meet specific high priority end-use requirements in those cases in which material has not been scheduled on Types WS or WP directives or if the full quantity scheduled has been committed to equally high priority requirements. Type WR directives will also be used for unusual or one-time repair requirements. The format of the Type WR repair directive contains a field (rp 55-68) to include the authority for the repair action. In the case of end-use requisitions, this field will contain the requisitioner's document number. (See format in Appendix 28.)

3. USE OF THE REPAIR DIRECTIVE DOCUMENT NUMBER. The inventory manager, to monitor the progress of repair and to obtain essential statistics, uses the document number of the repair directive (rp 30-43). This document number must be included in all transaction reports related to the repair process.

4. TRANSACTION REPORTING MATERIAL INDUCTED FOR REPAIR. Material issued to the repair facility at a reporting FISC is retained on inventory and financial records. The inventory manager is informed of the actions taken through offsetting increase/decrease transaction reports as follows (also see MTR MATERIAL TRANSACTION REPORTING REFERENCE CHART, paragraph 08470). (Note: Activities operating under the Uniform Automatic Data Processing System for FISCs (UADPS-SP), DOSS, or UADPS-Level II will use Dual Adjustment Condition Transaction, DOC ID DAC, in lieu of DOC ID D9C/D8C transactions as described in subsequent sub-paragraphs a, b, c, d and e.)

- a. INDUCTIONS. Submit condition code adjustment transactions; D9C decrease of condition of the material issued to the repair facility and D8C increase of M condition.
- b. RETURNS FROM REPAIR. Submit condition code adjustment transactions: D9C decrease of "M" condition and D8C increase of A condition (or other condition if applicable). Partial returns are identified by the entry of a suffix code in rp 44 and a serial number in rp 45-47. Suffix codes are assigned from A to Y (less I and O), except that the final return is always Z. For extended returns, repeat Code Y until total quantity is returned.
- c. MATERIAL IDENTIFIED AS BEYOND REPAIR DURING REPAIR. Submit condition code transactions; D9C decrease from M condition and D8C increase into H condition. Use the appropriate suffix code and serial number. If the material is shipped to the Property Disposal Officer, expend from H condition using D7J, a locally constructed document number, and Project Code UZ5. If the material is scrapped (not sent to Property Disposal), expend from H condition using D9Z, a locally constructed document number, and Project Code UZ5.
- d. MODIFICATION TO A DIFFERENT NSN DURING THE REPAIR PROCESS. Items which are inducted for repair and modification to a different NSN or for modification only are inducted under the old NSN as prescribed in subparagraph a. At the time of reidentification (while in M condition), submit issue/ receipt transactions; D7L decrease from old NSN and D6L increase to new NSN. Upon completion of repair, process in accordance with subparagraph b.
- e. MATERIAL IN REPAIR IN AN AWP (AWAITING PARTS) STATUS. When repair is suspended due to lack of repair parts, submit condition code adjustment transactions; D9C decrease from M condition and D8C increase into G condition. Upon receipt of repair parts and resumption of repairs, submit adjustment transactions; D9C decrease from G condition and DBC increase into M condition (or to other applicable condition if repair action is canceled by the inventory manager). Time frames for transfer to "G" condition is by separate instructions.

5. REPORTING NONINDUCTIONS IN RESPONSE TO IM REPAIR DIRECTIVES.

a. GENERAL. Reporting FISCs/overhaul points report inductions by transaction reports as shown in subparagraphs 08455.3 and 08455.4. Nonreporting FISCs/overhaul points provide similar information prescribed by individual inventory managers. Management information from the repair facility regarding noninduction of inventory manager repair directives is also required to determine what problems exist, where they exist and possible solutions.

b. REPAIR SCHEDULE REPLY CARDS.

(1) In response to each repair directive (Types WS and WP only) a Repair Schedule Reply Card (DOC ID BSM or BSR) is constructed as shown in Appendix 28 and submitted for each line item which cannot be inducted up to the full quantity for any of the following reasons:

- (a) Insufficient unserviceable units.
- (b) Insufficient repair parts.
- (c) Insufficient funds.
- (d) No capability.
- (e) Insufficient capacity.

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(2) If more than one significant reason applies, multiple cards are submitted for each.

(3) The Repair Schedule Reply Card is submitted within time frames consistent with those which would apply if the material were inducted. Expediting Repair Schedule Reply Cards helps an inventory manager on noninduction of critical items.

(4) For requirements in Level 1 (Priority 1 backorders and other special program high priority backorders) not inducted due to lack of capability or capacity, the applicable inventory manager is notified immediately by message or telephone. This does not prevent the requirement to submit a Repair Schedule Reply Card.

c. NONINDUCTION OF TYPE WR REPAIR DIRECTIVES. As prescribed in subparagraph 08455.2c, interim repair requirements directives are forwarded for specific end-use repair requirements. Accordingly, noninduction of Type WR directives will not be reported by means of Repair Schedule Reply Cards. If the material cannot be inducted within time frames consistent with the priority of the interim repair requirement (rp 69-70), the inventory manager is notified by telephone or message.

SECTION V: PICK PACK SHIP

08470 CONTROLLING SHIPMENTS AND RECEIPTS OF COMMERCIALY REPAIRED MATERIAL

1. POLICY. All commercially repaired secondary items are shipped, received, and reported to the appropriate inventory manager so that an audit trail is maintained from receipt at the contractor's facilities through shipment of the repaired item to physical receipt by the Navy.

2. POLICY IMPLEMENTATION.

a. NAVY ACTIVITIES PREPARING OR ISSUING COMPONENT REPAIR CONTRACTS.

(1) Navy component repair contracts (including orders under BOAs) will require the repair contractor to ship repaired material using the 1348-1A vice the DD 250. DD 250 documents will still be required, however, for bill paying.

(2) Contractors prepare 1348-1A shipping documents as shown in Appendix 28. Key elements identifying shipments for a component repair contract are the DOC ID D6M in record positions 1-3 and a MILSTRIP Document Number containing Contractor DoDAAC, Julian Date, and serial number constructed in accordance with ICP directions. A sample 1348-1A is provided in Chapter 7. CAV produces a 1348 with 'A2A' in cc 1-3. For reconsignments and redistributions the ICP provides the contractor with a unique document number.

(3) Contractors are instructed to provide two copies of the 1348-1A with the material. One inside the package and another outside.

(4) The following special instructions are for the contractor to prepare the DD 250:

(a) Block 24 will cite the 1348-1A MILSTRIP document number.

(b) The DD 250 is sent to the paying office and not with the repaired component.

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(5) The following instructions are provided to repair contractors who report to the Navy ICPs using Transaction Item Reporting (TIR) procedures.

(a) A TIR is required for all shipments of repaired components.

(b) The TIR to report the issue/shipment to a Navy activity will cite:

1. Document Identifier D7A, D7J, D7K, or D7M as displayed in Appendix 28.

2. Document number perpetuated from the 1348-1A containing the Service Code, contractor's UIC, Julian date, and a sequentially assigned serial number.

b. Navy Inventory Control Points (ICPs)

(1) Generate a PMRC to the designated receiving FISC/DD upon contractor notification of either component induction or shipment. The PMRC will cite DOC ID DW_ and the same MILSTRIP document number as the contractor's TIR. It is shown in Appendix 28.

(2) Upon receipt of the receiving activities receipt TIR, post receipt to the stock and financial inventory records and post the SIT file with the same document number.

c. NAVY STOCKING ACTIVITIES.

(1) Post the PMRC to the Due-in file.

(2) Post the receipt using the NIIN contained on the 1348-1A affixed to the incoming component and match to the due established on the file, if available. If no PMRC record was established, use the document number and other pertinent data contained on the 1348-1A.

(3) Send the receipt TIR to the inventory manager citing DI D6M shown in Appendix 28.

08473 PROCESSING REQUISITIONS FORWARDED FOR LOCAL BACKORDER AGAINST REPAIR (NF REFERRALS)

1. GENERAL. In certain cases involving items in critical supply, inventory managers will forward high priority requisitions to the FISC supporting the DOP or to the commercial DOP for local backorder against material due from repair. Status Code NF applies.

2. INVENTORY MANAGER RESPONSIBILITIES.

a. Use the NF Referral technique, if all of the following conditions exist:

(1) No RFI stock is on hand.

(2) The requisition meets one of the following criteria:

(a) CASREPT/NMCS/PMCS.

(b) IG I work stoppage.

(c) FBM Priority 01-02.

(d) IG I JCS Project Code.

(e) X2 or X4 SMIC-Coded.

(3) Sufficient unreserved material is in repair (Condition Code M).

b. Retain requisitions in NF Referral status on the due-in due-out file until the requisition is issued, or 360 days, whichever comes first.

3. FISC RESPONSIBILITIES.

a. Verify the availability of material actually in repair (Condition Code M). Previously forwarded NF Referrals should also be considered in determining availability.

b. Notify shop personnel of receipt of the requirement, request expedite and provide document number, priority and other pertinent data so that a specific component can be tagged for expedited processing to satisfy the requirement. The priority of repair may be upgraded to the requisition priority. Obtain a firm completion date. Forward a status card to the customer (paragraph 02142.4 applies).

c. Provide to inventory managers a monthly list of all NF Referrals held in local backorder.

SECTION VI: DEFECTIVE AND EXCESS MATERIAL

08477 RETURN OF DEFECTIVE MATERIAL TO CONTRACTORS

1. SCOPE. The procedures in this paragraph pertain to the return of defective material to a specific contractor for repair or replacement under a warranty clause. These procedures do not apply to ammunition (cognizance symbols 2E/2T, 4E/4T, 8E/8T) or to Mandatory Turn-in Repairables which have failed in normal use.

2. PROCEDURES. When an inventory control point receives notification of a defect in a particular item or equipment under its management control, the following actions are taken:

a. The ICP will determine whether the defect is a design deficiency or whether the contractor should be held liable under a warranty clause. When it is determined that the contractor is responsible for the defect, provide notification and obtain corrective action commitment from the contractor.

b. When the defect is a design deficiency, notification is sent to the office with design responsibility.

c. Provide notification to FISCs maintaining a stock balance to determine whether any of the on hand quantity was received under the specified contract. Stock points are requested to transfer the suspect quantity to Condition Code J or L, as appropriate, and await further instructions from the ICP.

d. Upon receipt of information from the contractor to return the material, provide each FISC a referral order containing instructions for movement of the material. Fund Code 15 and the applicable procurement instrument number must be included in the referral order.

e. Furnish Prepositioned Material Receipt Cards (DOC ID DWZ) to the ultimate consignee(s) to which the material is returned. The PMRC will contain the same document number as contained in the referral order (paragraph e. above).

f. When material will not be returned to the original shipping activity, provide shipping instructions to the contractor and furnish accounting instructions to the FISC which returned the defective material to the contractor.

08482 TURN-IN OF EXCESS DLRs: END-USE OWNED INVENTORIES

1. EXCESS ASSETS CREDITS.

a. End-Use owned RFI DLRs, which are excess to customer requirements are turned in to the nearest Transaction Item Reporting (TIR) activity on a 1348-1A with a blank DOC ID, a Condition Code of A in rp 71, and a Management Code C in rp 72. Excess NRFI DLRs are turned in via the nearest ATAC Hub on a 1348-1A with a DOC ID BC1, a Condition Code F in rp 71, and a Management Code C in rp 72.

(1) When the 7_ Cog excess results from a change in the End-Use activity's SHORCAL fixed allowance, the Fund Code for 7_ Cog is QZ in lieu of the local activity's Fund Code.

(2) When the 7_ Cog excess results from a change in the COSAL aboard an AV207 ship, the 1348-1A Fund Code is QZ for 7R Cog and _B for NAVICP MECH 7_ Cog material.

(3) When the 7_ Cog excess results from a change in the COSAL in a MAG, the Fund Code on the 1348-1A is QZ for 7R Cog and Fund Code 7L for NAVICP MECH 7_ Cog material. 7_ Cog excesses are processed by the ICP through the credit matrix listed below.

<u>Turn-in of</u>	<u>If Procurement Requirement Exists Through Budget Year (BY)</u>	<u>If Repair Requirement Through BY Exists But No Procurement Requirement Exists</u>	<u>No Procurement or Repair Requirement Through BY Exists</u>
RFI Unit	"Standard Price Credit"	"Net Price Credit"	No Credit
NRFI Unit	"Carcass Value Credit"	No Credit	No Credit

Note 1: Carcass value credit is the difference between Standard and Net Prices. For TIR activities, process a receipt to the ICP via DOC ID D6A and Management Code C to determine if credit is warranted. For non-Transaction Item Reporting activities, turn in RFI excesses to the nearest TIR activity on a 1348-1A. The DOC ID in the 1348-1A is left blank by the end-user allowing for the appropriate DOC ID entry by the TIR activity. Load Management Code C rp 72.

b. Credit for nonexchange DLRs is granted to Navy customers only through the credit interrogation program. Management Codes C and E are for receipt TIRs to permit distinction between turn-ins for credit determination (RFI or Non-RFI) C or (exchange) E when turn-in is result of billing at a Net Price. In the absence of an indicated management code, receiving activities will process all returns with an E management Code.

08488 GENERAL PURPOSE ELECTRONIC TEST EQUIPMENT (GPETE)

1. GENERAL. General Purpose Electronic Test Equipment (GPETE) is electronic test equipment capable of generating, modifying, or measuring a range of electronic functions to test two or more systems or equipment of basically different design. GPETE is procured by NAVICP MECH. Procedures and policy guidance for the stock funding of GPETE is similar to the procedures prescribed in the stock funding of Depot Level Repairables (DLRs).

2. GPETE ALLOWANCES. Allowances for Ship and Shore and Aviation GPETE are listed in the following two documents, respectively:

a. Ship's Portable Electrical/Electronic Test Equipment Requirement List (SPETERL), which is prepared by Naval Weapons Station (NWS) Earle, Colts Neck, New Jersey under the direction of Naval Sea Systems Command (NAVSEA 04L) (CEL-DS); or

b. Individual Material Readiness List (IMRL), which is prepared for the Support Equipment Controlling Authority (SECA) by the Naval Aviation Maintenance Office under the direction of Naval Air Systems Command (NAVAIR).

3. PROCUREMENT OF GPETE.

a. DEFICIENCIES RESULTING FROM NEW GPETE ALLOWANCES. NAVSEA (04L) identifies non-aviation GPETE deficiencies resulting from new allowances and initiates procurement/delivery action. NAVAIR coordinates the efforts of NAVICP PHIL (Code 0332), Naval Air Engineering Center (Code 52524), and the SECAs in the performance of the same functions related to aviation GPETE.

b. REPLACEMENT OF MISSING OR UNSERVICEABLE GPETE. A Report of Survey (DD Form 200) is prepared to document missing or unserviceable GPETE. The replacement item is locally funded. The MILSTRIP requisition, citing advice code 5A or 5G and the same document number as assigned to the survey, is submitted directly to NAVICP MECH (Code 05835).

c. UPGRADING OF GPETE.

(1) There are five classifications of GPETE and each is a range of priorities:

(a) Standard (06-21) - the most advanced and satisfactory equipments approved for service use.

(b) Substitute standard (22-37) - equipments approved for service use which do not have military characteristics as satisfactory as standard equipment.

(c) Limited standard (38-71) - equipments approved for service use which do not have military characteristics as satisfactory as standard or substitute equipment, but are usable substitutes.

(d) Obsolescent (72-94) - equipments which no longer have satisfactory military characteristics but which must be continued in service pending availability of replacements.

(e) Obsolete (95-99) - equipments which have been declared unsuitable for its original military purpose. Disposal of obsolete equipment is expedited.

(2) Replacements for GPETE designated as obsolete need not be requisitioned by the end user. Replacement GPETE is pushed as initial outfitting GPETE as described in subparagraph 08490.3a.

(3) NAVSEA and NAVAIR will "push" replacements for limited standard, obsolescent, and obsolete GPETE as funds become available. End users desiring to requisition replacements for limited standard, obsolescent, or obsolete GPETE is charged the standard price, even if the carcass is turned in. The net price is charged only if the carcass is classified as standard or substitute standard.

d. REQUISITION FOLLOW-UP. Follow-ups shall be submitted to NAVICP-M, Code 05835, (717) 605-3707 or DSN 605-3909.



PART D: REDUCTION OF PACKAGING MATERIALS

ABOARD SHIPS

SECTION I: INTRODUCTION

08500 PURPOSE

1. GENERAL. To establish a program to reduce the volume of packaging materials that generate solid waste aboard Navy ships and to prohibit the discharge of plastic packaging materials into the ocean. The program applies to packaging materials aboard ship used for the protection of supplies, bulk packaging materials in stowage, and particularly to those packaging materials that become excess to ships' needs while at sea. The following references apply:

- a. ASN (S&L) Memo of 16 September 1987: Reduction of Plastic Material Aboard Ship
- b. National Defense Authorization Act of 1997
- c. Report to Congress, U.S. Navy Ship Solid Waste Management Plan for MARPOL Annex V Special Areas of November 1996

08510 BACKGROUND

1. GENERAL. On 31 December 1987, the United States ratified "Annex V, Regulations for the Prevention of Pollution by Garbage from Ships," an optional annex to the 1978 Protocol relating to the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78). Annex V prohibits the discharge of plastic material into the oceans. The United States Senate added implementing legislation requiring that the Secretary of the Navy examine federal procurement policy for public vessels with regard to the amount of plastic taken aboard ship and determine to what extent such policies can be revised to enhance compliance.

2. NAVY. While some activities can be accomplished in the short term, long range compliance is contingent upon having solid waste handling and destruction devices installed aboard ships. Reference (a) directed the Naval Supply Systems Command (NAVSUP) to coordinate Navy efforts to develop a comprehensive plan of action for reducing the volume of plastic material in ships' trash. Reference (a) directed the Naval Sea Systems Command to develop and install solid waste handling and destruction devices that are suitable for plastic disposition in a shipboard environment. In response, NAVSUP developed the Plastics Reduction in Marine Environment (PRIME) Program: The Navy significantly (1) reduced the amount of plastic consumables used aboard ships, (2) implemented plastic retention policies for ships at sea, and (3) initiated development of solid waste processing equipment for vessels. Reference (c) extends the Fleet compliance deadline with Annex V to 2001 (submarine force to 2009). In response to reference (d), NAVSUP expanded the goals of the PRIME Program to reduce all materials that generate solid waste by establishing the Waste Reduction Afloat Protects the Sea (WRAPS) Program. A number of initiatives are currently underway to reduce excess packaging materials that contribute to waste generation aboard ships.

3. **PROBLEM MATERIALS.** The kinds of packaging materials that are particularly problematic for shipboard disposal and for which substitutes appear possible include: tri-wall shipping boxes, stretch wrap, shrink wrap, waterproof shrouds, bags, barriers, unit package containers, and cushioning and dunnage materials. Various reusable container concepts that can dramatically reduce corrugated fiberboard waste as well as plastic overwrapping materials are presently being evaluated. Additionally, we are pursuing degradable plastic packaging materials that can be substituted for non-degradable materials in an effort to minimize solid waste problems.

08515 OBJECTIVES

1. Manage ship waste in compliance with existing and emerging environmental restrictions worldwide without jeopardizing ship mission, survivability, or habitability.
2. Minimize the cost of environmental compliance with respect to solid waste.
3. Reduce the volume of consumable packaging materials aboard Navy ships.
4. Restrict the selection of disposable packaging materials used to protect supply items aboard ship to materials that are non-plastic, have minimal plastic content, and/or are marine degradable.
5. Make maximum use of reusable/refillable containers.
6. Reuse packaging materials aboard ship for the protection of supplies to the extent practicable, precluding the need for disposal.
7. Retain excess plastic packaging materials generated aboard ship for off-loading to another ship or shore facility.
8. Develop elevated awareness for waste reduction throughout the Navy.
9. Apprise manufactures and suppliers of the Navy's need for non-plastic and degradable packaging materials and the need to reduce other materials used to package supplies to the absolute minimum necessary for protection.
10. Develop new and improved packaging materials that are non-plastic, have minimal plastic content, and/or are marine degradable.

SECTION II: ACTIONS**08520 SYSTEMS COMMANDS, ICPs, AND PROJECT MANAGEMENT ACTIONS**

1. Specify non-plastic materials in procurement contracts for packaging supply items going into the Navy supply system or directly to Navy ships except as prescribed in paragraph (2) below.
2. Specify plastic materials in procurement contracts for packaging supply items going into the Navy supply system or directly to Navy ships only when non-plastic packaging materials will not provide the required degree of environmental or static-free protection (i.e., water vapor proof, waterproof and ESDS).
3. Specify non-plastic consumable packaging materials in the preparation of new and existing specifications and contractual ordering data for items going into the Navy supply system or directly to Navy ships except as prescribed in paragraph (2) above. This may be accomplished by means of an alternate packaging method, by substituting specific plastic packaging materials with non-plastic materials, or by a general statement to the effect that plastic materials shall not be used for packaging, packing, and associated marking.
4. Make maximum use of reusable containers with or without cushioning secured in place.
5. Ensure that packaging of supply items going directly to ships will be kept to the absolute minimum required to provide containment and protection of the items.
6. Use the packaging materials given in 08550 as a guide for specifying non-plastic packaging materials.
7. Seek innovative packaging techniques that will result in adequate protection for the items in transit and storage while eliminating redundant or unnecessary packaging of the supply items.

08525 SHORE BASED SUPPLY STOCKING ACTIVITY ACTIONS

1. Use non-plastic packaging materials for packaging supply items going into the Navy supply system or directly to Navy ships except as prescribed in paragraph (2) below.
2. Use plastic packaging materials for packaging supply items going into the Navy supply system or directly to Navy ships when non-plastic packaging materials will not provide the required degree of environmental or static-free protection (i.e., water vapor proof or waterproof).
3. Identify plastic consumable intermediate packs and shipping containers, which are not used as unit containers and are not reusable containers with the following 1" minimum markings:
"PLASTIC CUSHIONING/DUNNAGE MATERIALS
DISCARD PRIOR TO DEPARTURE"
4. Use plastic or non-plastic reusable containers with or without cushioning secured in place, when prescribed.

5. Use packaging materials received with supplies to provide adequate protection for items going into the Navy supply system or directly to Navy ships, precluding the need for repackaging.
6. Use packaging materials prescribed in detailed packaging instructions, packaging requirement codes, specifications and drawings when deviation from requirements is not authorized.
7. Recover and reuse, wherever possible, packaging materials and reusable containers discarded by the ship or boat prior to loading the supplies aboard.
8. Ensure that packaging of supply items going directly to ships will be kept to the absolute minimum required to provide containment and protection of the items.
9. Use the packaging materials in 08550 as a guide for specifying non-plastic packaging materials.

08530 FOOD SERVICE AND SUBSISTENCE SUPPORT UNIT ACTIVITY ACTIONS

1. Food service and subsistence support unit activities will reduce packaging material usage by following the criteria in NAVSUP P-486, Volume I, Part B, Section 4104.

08535 SHORE BASED SUPPORT UNIT ACTIONS

1. Reduce the volume of bulk, plastic packaging materials stowed aboard ship.
2. Off-load excess packaging materials prior to deployment.
3. Retain packaging materials generated aboard ship for protecting supply items stowed on board, transferred to another ship or off-loaded to a shore facility.
4. Retain excess plastic packaging materials generated aboard ship for off-loading to another ship or shore facility for reuse, recycling, or land disposal.
5. Retain reusable containers with or without cushioning secured in place for reuse.
6. Use bulk plastic and non-plastic packaging materials stowed on board for the protection of supply items remaining on board, transferred to another ship or off-loaded to a shore facility.
7. Ensure that packaging of supply items going directly to ships will be kept to the absolute minimum required to provide containment and protection of the items.

08540 ALL ADDRESSEES ACTIONS

1. Advise contractors, manufacturers and suppliers of Navy's need for non-plastic packaging materials.

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2. Provide Naval Inventory Control Point with information on new and modified non-plastic packaging materials and methods when available.
3. Provide Naval Inventory Control Point with information on alternative solutions to current waste management practices and source reduction methods when available.
4. Provide Naval Inventory Control Point with information on commercially packaged items, such as, Direct Vendor Delivery (DVD), Commercial-Off-The-Shelf (COTS) and Commercial and Non-Developmental Items (CaNDI) items that appear to have excessive plastic and/or non-plastic packaging.
5. Seek innovative packaging techniques that will result in adequate protection for the items in transit and storage while eliminating redundant or unnecessary packaging of supply items.
6. Include new policies and techniques regarding reduced volume packaging and non-plastic packaging materials in packaging training courses.
7. Employ reusable/refillable containers for supplying material to ships when practical.

08545 POINT OF CONTACT

1. Additional guidance and samples of shipboard waste management plans may be acquired by contacting NAVICP at (717) 605-5623.

SECTION III

08550 NONPLASTIC SUBSTITUTES FOR PLASTIC PACKAGING MATERIALS

BAGS AND SACKS

Paper
Textile; Cotton, Burlap, Rayon

BARRIERS

Paper
Asphalt Laminated Kraft Paper
Aluminum Foil
Fiberboard

BLOCKING AND BRACING

Composition Board
Fiberboard
Plywood
Wood

CONTAINERS

Boxes; Fiberboard, Paperboard, Plywood, Wood, Metal
Cans; Composite, Metal
Crates; Metal, Plywood, Wood
Drums; Fiber, Metal
Pails; Metal
Fiberboard Cans

CUSHIONING AND DUNNAGE

Aluminum Foil
Bound Fiber, Uncompressed
Cellulosic Wadding
Felt
Fiberboard
Paper; Honeycomb, Molded, Triple Ply, Tissue
Paperboard
Rubber; Molded Shapes, Mounts, Sheets

PALLETS AND SKIDS

Pallets; Aluminum, Wood
Skids; Aluminum, Wood

SECURING, STRAPPING AND TAPING

Banding; Wire
Strapping, Flat Steel
Tape; Cloth, PSA Paper, Water Activated Gummed Paper, Metal
String; Cotton, Hemp, Jute

→ **PART E: SHIPS HAZARDOUS MATERIAL LIST (SHML)**

Section I: INTRODUCTION

08600 GENERAL

1. **DEFINITION.** The Ships' Hazardous Material Lists (SHML) and ship type SHMLs provide information on potentially dangerous chemicals and substances which are controlled and managed under the Hazardous Materials Afloat Program. See the sample in 08610. SHML includes material required for equipment maintenance and ship upkeep such as flammables, corrosives, greases, and paints etc. The SHML is managed under the Hazardous Materials Control and Management (HMC&M) Program. This section provides HM management procedures, which entails making sure that all maintenance and/or supply changes are recorded and updated to the SHML.

2. **PURPOSE.** The primary purpose of the SHMLs are to identify HM authorized for use aboard Navy ships. SHMLs help to identify: hazardous materials for which the ships have no need, unit of issues, allowed quantities to satisfy maintenance requirements. The SHMLs also help the SYSCOMs select HM during ship/system design, acquisition, and logistical support processes. If an HM item is not listed on the SHML, it's not allowed onboard. Changing maintenance or supply requirements can change the SHMLs.

3. **BACKGROUND.** OPNAVINST 5100.19 identifies the SHML as the authorized list of HM allowed aboard Navy ships. All items on the SHML show National Stock Numbers (NSNs) or Navy Item Control Numbers (NICNs) and are identified as HM by a Special Material Content Code (SMCC) and a Hazardous Characteristics Code (HCC). You can access the Ships' Hazardous Material List (SHML) on the DoD 6050.5 HMC&M CD-ROM. It's distributed quarterly. The Type SHMLs are updated monthly and are distributed on the NAVSUP NLL web site and in the Standard Automated Logistics Tool Set (SALTS) standard file repository. In addition to the Master SHML, there are ten ships Type Specific SHMLs (T-SHML). They improve the visibility of authorized HM across the classes of Navy ships. Specific HM (needed to fulfill mission requirements) is identified on Navy allowance lists, maintenance requirements, and technical manuals.

4. **OTHER PROGRAMS.** There are other Hazardous Materials (HM) such as ammunition, weapons, explosives, actuated devices, propellants, pyrotechnics, chemical, biological and nuclear warfare materials, medical and pharmaceutical supplies, medical waste and infectious substances sewage, garbage, bulk fuels (including nuclear fuels), and asbestos removal program. But these materials are controlled and managed by *other* programs - not the HMC&M Program.

08610 SHIPS HAZARDOUS MATERIAL LIST (SHML)

1. An example of a SHIPS HAZARDOUS MATERIAL LIST (SHML) is shown:

<p>DoD Hazardous Materials Information System DoD 6050.5-L AS OF JANUARY 1997</p>
<p>FSC: 7930 NIIN: 001849423 Manufacturer's CAGE: 97758 Part No. Indicator: A Part Number/Trade Name: GLASS CLEANER GSA</p>
<p>SHML Data</p>
<p>Item Status: AUTHORIZED FOR SHIPBOARD USE SHML FSC: 7930 SHML NIIN: 001849423 Obsolete NSN: N Replaced by NSN: NONE Nomenclature: GLASS CLEANER COG: 9Q - Tech Command, Various; Inventory Control Point, GSA Acquisition Advice Code: G Special Matl. Content Code: F - Flammable Liquids flash point not more than 60 (140 F) Special Matl. Identification Code: <blank> SHML Unit of Issue: GL - Gallon Unit of Measure: 1 GL Quantity Per Unit package: 6 Shelf Life: 7 {36 Months (Type II Extendable)} Shelf Life Action Code: T7 - Test: If the item passes, extend life by number of months indicated by the number following "T", after which process in accordance with Code RD. Type of Storage: G - Flammable Specification: A-A-40 SPMIG: 0516 Remarks: <blank></p>

2. MAINTENANCE OF SHML. For overhauls and new installments, Supervisor of Shipbuilding (SUPSHIP), overhaul activities, and Naval Surface Warfare Center, Carderock Division Ships Systems Engineering Station (NSWCCD-SSES) will coordinate HM requirements and forward them to Naval Inventory Control Point (NAVICP) Code M07122. If equipment is removed from a ship, they will notify NAVICP of the ship name, hull number, and the HM which was removed from the ship. NAVICP will update the appropriate SHML databases. NAVICP will also assist SUPSHIPS and NAVSEA on the development of T-SHMLs for new construction ships. NAVICP maintains, updates, and distributes the master SHML and T-SHML which includes:

- Adding new items
- Deleting existing items
- Identifying equivalent items
- Identifying replacement items
- Distribution of SHML data
- Processes SFRs
- Reviews all Material Safety Data Sheets (MSDS) received by NAVICP
- Reviews/validates Tender Load Lists (TLL)
- Reviews/validates General Use Consumable Lists (GUCL)
- Reviews/validates Coordinated Shipboard Allowance List (COSAL)

a. NSNS AS A POINT OF REFERENCE. Only NSNs and NICNs will be maintained on the SHML. *Locally* assigned stock numbers and part numbered items will not be maintained on the SHML. If an NSN record is not of Navy interest - and is in the Federal Logistics Information System (FLIS) - it won't be added to the SHML unless proof is provided to NAVICP that a request to add Navy interest is in process. Canceled or discontinued Navy interest NSNs (phrase code "V" or "Z" phrase code) will show as obsolete on the SHMLs.

b. RECONCILING ALLOWANCES. New or modified TLLs, GUCLs, or COSALs will be reconciled against the current SHMLs. NAVICP will regularly review and reconcile all afloat allowance lists. This review ensures that all HM on allowance lists are authorized for shipboard use. If prohibited material is identified on an allowance list, a substitute NSN can be provided. Each review will be completed within 5 days of the cyclic data download.

c. SHML DATA PACKAGES. NAVICP will distribute quarterly and monthly all SHML data packages (Jan, Apr, Jul, Oct) to the following activities:

- NAVICP Code 0544 ANSRS Program Office (quarterly)
- Space and Naval Warfare Systems Center, Chesapeake (SPAWARSYSCEN Chesapeake) for distribution to the Ships Non-tactical ADP Program (SNAP) (quarterly)
- NAVICP Code 042 for updating the Uniform Inventory Control Point (UICP) programs (monthly)
- Navy FISCs that process requisitions for afloat units via the Uniform Automated Data Processing System Stock Point (UADPS-SP) (quarterly)
- Carderock Division Naval Surface Warfare Center, Ships Systems Engineering Station's (CDNSWCSSSES) (monthly)
- Naval Aviation Depot, Jacksonville, FL (monthly)
- Naval Computer and Telecommunications Area Master Station, Atlantic (NCTAMSLANT) to load the DoD 6050.5 HMC&M HMIS CD ROM. (quarterly)
- NAVSUP's Naval Logistics Library (quarterly)
- Standard Automated Logistics Tools Set (SALTS) (monthly)

d. Points of Contact.

(1) Questions regarding distribution of the HMIS CD-ROM to the Naval Activities (Ashore and Afloat) should be referred to:

Commander Naval Supply Systems Command (SUP 4C3)
Hazardous Material Control and Management Program
5450 Carlisle Pike, PO Box 2050
Mechanicsburg, PA 17055-0791
(DSN) 430-6858 or Commercial (717) 605-6858

or

Naval Inventory Control Point
Code 07122
5450 Carlisle Pike, PO Box 2050
Mechanicsburg, PA 17055-0791
(DSN) 430-2243 or Commercial (717) 605-2243

(2) Questions of a technical nature and instructions regarding accessing information on the CD-ROM should be referred to:

Naval Computer and Telecommunications Area Master Station, Atlantic
ATTN CD ROM Team Code N911
9625 Moffett Avenue
Norfolk, VA 23511-2784
(DSN) 565-9191/9192, (Commercial) (757) 445-9191/9192
FAX (757) 445-4842

e. HAZARDOUS MATERIAL CODES. As previously mentioned, the two primary codes that identify hazardous material are Special Material Content Code (SMCC) and Hazardous Characteristics Code (HCC). SMCCs and HCCs are assigned by NAVICP. Assignments are based on MSDS information and the item's chemical composition.

(1) The SMCC is a non-mandatory one character alpha/numeric code that indicates that an item represents or contains peculiar material requiring special treatment, precautions, or management control. Not all NSNs have an SMCC assigned. The SMCC code is Navy unique located in the seventh position of the Navy's management control data; It is also in the Defense Logistics Services Center (DLSC) Total Item Record (TIR), FEDLOG, the Navy Management Data File (NMDF), and the NAVICP's Master Interest Files (MIF). If an item has more than one hazard, SMCC reflects the most hazardous characteristic. The SMCC is updated monthly through change notice; Navy ship and shore activities are advised. When an SMCC code is initially assigned or updated, NAVICP will change the DLSC TIR and Navy files. SMCC codes are defined in Appendix 9V.

(2) The HCC is a two-character alpha/numeric code that helps categorize HM. The HCC is in the DLSC TIR and the HMC&M HMIS databases. The DLSC TIR may contain multiple HCC codes for the same NSN based on the manufacturer's formulation. The HCC codes in the DLSC TIR are assigned to Commercial and Government Entity Code/Part Number reference combinations and to NSNs. When an HCC code is initially assigned or updated, the new HCC code is forwarded to the Naval Environmental Health Center (NEHC) along with the MSDS. NEHC will review/forward the MSDS information (for Navy material) to the Defense Supply Center Richmond (DSCR) for inclusion in HMC&M HMIS, or to the service/ agency who manages that material, for their review and inclusion in HMC&M HMIS. DCSR will then update the HMC&M HMIS and the DLSC TIR.

f. MSDS. NAVICP will review MSDCs for assignment of SMCC, HCC, and, if required, type of storage (TOS) code. They forward to NEHC to put it in the HMC&M HMIS. The MSDSs forwarded to NEHC will be annotated as a new or updated MSDS from the manufacturer - with the NSN, SMCC, HCC, and TOS code assigned by NAVICP. Additional copies of the MSDS's may be provided to the local safety officer and to others by request.

08620 SHIPS HAZARDOUS MATERIAL LIST FEEDBACK REPORT (SFR)

1. GENERAL. SHML Feedback Reports (SFRs) are used to maintain and update the SHML. Afloat units can only requisition HM that's listed on their SHML. It is imperative new or non-SHML items are evaluated for health, safety, environmental impact, and performance - prior to their procurement and use. If an afloat unit identifies a requirement for an unapproved item, the unit will submit an SFR prior to requisitioning the material (see SFR form in 08630). Navy shore activities (that process requisitions from afloat units) must process SHML updates at receipt and notify NAVICP within 10 days after transmission date.

2. BACKGROUND. An afloat unit uses the HMC&M CD-ROM to screen material requests (prior to off-ship requisition release) to ensure material is authorized. If the requested item is unauthorized for afloat use, the requisitioner must generate and submit an SFR prior to initiating the requisition. The primary vehicle for the submission of SFRs is via SALTS. In the event automated submission cannot be done, a hard copy will be forwarded in accordance with SFR procedures. After the SFR is reviewed and processed, NAVICP will notify the ship (via SALTS or phone) whether or not they are allowed to order the material. NAVICP will update the appropriate SHMLs. If the SFR is approved, the ship can then requisition the material. If the SFR is disapproved, every effort will be made to provide either an alternate or substitute NSN to fulfill the requirement. If a requisition containing an unapproved HM is initiated, the requisition will be rejected with a 'CQ' reject code.

3. COMPLETION AND SUBMISSION. The SFR must be completed in its entirety, including valid justification for requisitioning the material. SFR submission can be done electronically using Standard Automated Logistics Tool Set (SALTS), the SFR generator in the Hazardous Inventory Control System (HICS) or using hard copy. See the following pages. The afloat unit Commanding Officer's approval is required for all non-SHML requirements. An electronic SFR submission is acceptable as the commanding officer's approval. All requisitions of unauthorized HM won't be processed until SFRs are resolved.

4. INSTRUCTIONS. Instructions for SFR generation and forwarding from the HICS program can be found in the HICSWIN Desk Guide, section 5. SFRS generated in HICS can be copied to a disk and imported into SALTS for distribution to the appropriate review/approving activities. Once the SFRS are loaded into SALTS they must be manually addressed within the SALTS program. Follow the HICSWIN Desk Guide to assign the following addresses and initiate the forwarding action:

Address To	Activity Code
NAVICP-M (SHML SFR)	SP3
NSWC PHILADELPHIA CODE 631 (SFR)	JCB
NAVAIRSYSCOM (SHML FBR)	APB

If automated SFRS cannot be produced, a hardcopy form with instructions can be found in the NAVSUP PUB 485 Afloat Supply Procedures. One completed hard copy SFRS shall be sent to:

Commander,
 Naval Inventory Control Point
 Attn: Code 07122
 P O Box 2020
 5450 Carlisle Pike
 Mechanicsburg PA 17055-0788

5. PRIORITIES AND CASREPS. In an effort to maintain timely and consistent communication between afloat units and SHML management activities, SFRS will be assigned a priority designator by the requestor at the time of SFR generation. Using the standard MILSTRIP priority designator, afloat units will assign priorities from number (1) to (15) with number (1) being the most urgent. In the event of a CASREP action, the annotation of CASREP shall be applied to the SFR. To maintain fleet readiness, Hardware Systems Command Technical Authority will respond to SFRS within 2 working days after receipt of SFRS from the NAVICP.

6. SCREENING AT ASHORE ACTIVITIES. To identify unauthorized HM requisitioned by afloat units, shore activities will run the SHML validation process against all requisitions at receipt. If the requisition is for unauthorized HM, the requisition is rejected back to the unit with "CQ" status. The validation process for incoming HM requisitions at Naval stock points follows:

- If the material is authorized for shipboard use, (SHML Allowed On-Board (AOB) code "A" or "R"), proceed with the requisition.
- If material is not authorized on the SHML (AOB code of "N", "O", or "P") it will be rejected until an SFR is submitted and validated. If no justification (an SFR) for material is received, cancel requisition.

Special Programs

08630

a. UADPS-SP PROCESSED REQUISITIONS. UADPS-SP activities will process all incoming requisitions through UADPS-SP program C-UC82 to stop any unauthorized issue of hazardous material to afloat units. If the stock point is going to issue a substitute NSN, the substitute NSN and requisition must be processed through UADPS-SP programs C-UA38/UC02; these programs will prevent any unauthorized issue of HM to an afloat unit.

b. HAND CARRIED HM REQUISITIONS. Hand carried requisitions will be screened against the DoD 6050.5 HMC&M HMIS to identify unauthorized HM. Items found in the HMC&M HMIS containing an AOB code of "N", "O", or "P" will be rejected until an SFR is submitted and resolved. If the HMC&M HMIS AOB code is a "P", the item has been identified as unauthorized for afloat use, but an approved substitute is identified; the substitute is offered to the requisitioner, if the material is available.

c. HAZMIN CENTER'S FREE ISSUE. HM will not be issued to afloat units unless the material is listed on that activity's T-SHML as approved for afloat use.

d. ANSRS REQUISITIONS. Shore activities processing ANSRS requisitions will not process non-SHML procurements until the associated SFR is resolved by Navy Hardware Systems Commands (HSC).

08630 SFR PREPARATION

1. Complete the SFR using the following instructions. A sample of a hard copy SFR follows.

- A. SHIP/ACTIVITY/AIRWING NAME – ENTER FORMAL SNDL NAME.
- B. UIC ROUTE – ENTER "R" FOR PACIFIC, "V" FOR ATLANTIC, OR "N" FOR SHORE ACTIVITY.
- C. UIC – ENTER THE 5-DIGIT UNIT IDENTIFICATION CODE.
- D. ACTION – INDICATE "A"(ADD), "D" (DELETE), OR "O" (OTHER).
- E. TYCOM – SELECT APPROPRIATE TYPE COMMANDER (SURFLANT, SUBPAC, ETC.).
- F. PRI – ENTER PRIORITY...FROM 1 (HIGHEST) TO 15 (LOWEST).
- G. NSN – ENTER THE APPLICABLE NATIONAL STOCK NUMBER.
- H. TRADE NAME/NOMEN – ENTER TRADE NAME OR NOMENCLATURE (I.E. DETERGENT).
- I. SELECT THE APPROPRIATE YES/NO BUTTONS FOR CASREP, MSDS AVAILABLE AND AIRCRAFT APPLICABLE.
- J. P/N OR SPEC – ENTER MANUFACTURER'S PRODUCT NUMBER OR SPECIFICATION.
- K. MANUFACTURER NAME – ENTER FULL MANUFACTURER/SUPPLIER NAME.
- L. MANUFACTURER ADDRESS – ENTER MANUFACTURER ADDRESS & PHONE NUMBER.
- M. CAGE – ENTER THE 5-DIGIT COMMERCIAL & GOVERNMENT ENTITY IDENTIFIER.

- N. MSDS NUMBER – IF MATERIAL SAFETY DATA SHEET EXISTS, ENTER 5-DIGIT SERIAL #.
- O. APL/AEL – ENTER THE APPLICABLE ALLOWANCE PARTS LIST/ALLOWANCE EQUIPAGE LIST.
- P. TECHNICAL MANUAL – ENTER TECH MANUAL NAME, NUMBER AND REVISION.
- Q. ESTIMATED YEARLY REQ – ENTER BEST ESTIMATE OF ANNUAL REQUIREMENT.
- R. U/I – ENTER APPLICABLE UNIT OF ISSUE (GL, QT, PT, ETC.).
- S. MAINT INDEX PAGE (MIP)# - ENTER MIP REQUIRING THE ITEM.
- T. MAINTENANCE REQ CARD (MRC) # - ENTER MRC REQUIRING THE ITEM.
- U. MATL APPL/EQUIPMENT OR USE – ENTER INTENDED USE/APPLICATION.
- V. OTHER PERTINENT DATA – ENTER OTHER PERTINENT TECHNICAL DATA.
- W. CURRENTLY USED NSN/PRODUCT TO BE REPLACED - SELF-EXPLANATORY.
- X. JUSTIFICATION/COMMENT- ENTER FULL JUSTIFICATION AND SUPPORTING COMMENTS
- Y. ELECTRONIC SUBMISSION OF THE SALTS/HICS SFRS CONSTITUTES CO'S APPROVAL

2. HARD COPY SFR. Use the form on the opposite page to submit a Hard copy of an SFR.

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ASHORE SUPPLY PROCEDURES

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CHAPTER 9: FINANCIAL MANAGEMENT

PART A: INTRODUCTION

09000 PURPOSE

This chapter shows how financial transactions are uniformly recorded and reported, and ultimately integrated with the receipt, issue, and inventory adjustment of material. It also shows how to take financial inventory of Navy material.

09005 SCOPE

This chapter covers financial transactions between the Navy, DLA, and other services. Financial Inventory procedures include all Navy inventories except material reported in store returns, i.e., reported by commissary and ships' stores to the Defense Finance and Accounting Service (DFAS), Operating Locations (OPLOCs) Norfolk and San Diego.

09010 BACKGROUND

1. **SUPPLY CHAIN.** As inventory items flow through the Navy supply chain to the customer, inventory accounting information must flow with it. This keeps accounting records accurate and allows us to operate from a budget. This chapter discusses the uniform codes, forms, formats, and procedures for the transmission of item and financial inventory data. We use this **financial inventory data** to ultimately produce accounting reports, bill customers, and to budget and forecast our future requirements.

2. **MATERIAL FINANCIAL CONTROL SYSTEM (MFCS).** To improve accounting, expenditure, billing, and inventory functions the Navy has employed a relatively new, centralized accounting/billing system that provides on-line access to supply and procurement data bases. It's named Material Financial Control System (MFCS). MFCS is the Navy's standard general ledger accounting system for wholesale inventories. MFCS has been modified to perform stores accounting for retail NWCF material located afloat. For MFCS capable activities, detailed obligations are submitted to STARS on the Financial Transmittal (TL) report. Detailed expenditures for material issued from onboard stock or wash-through the NWCF are provided by the NAVICP under the Centralized Accounting and Billing (CAB) concept. SAC 207 activities operating under MFCS are not required to submit the Financial Inventory Returns. MFCS touches and benefits a wide latitude of Navy logistic functions and has improved financial operations and supply management.

PART B: PROCEDURES

09100 FINANCIAL INVENTORY ACCOUNTING AND STOCK CONTROL ACTION

1. DD FORM 1348-1A. The Release/Receipt Document (DD Form 1348-1A) is **not** an accounting document so do not use it as an **invoice** for transactions. However, Navy MILSTRIP authorizes all activities use the 1348-1A activities to use the 1348-1A as an **accounting copy** for issues and receipts. The Fiscal Officer will use this data to report Fund Authorization Charges (NAVCOMPT Form 2074). When activities release material using the 1348-1A , they will provide one copy to the Fiscal Officer and, in the accounting copy's Block "27", the stock control division will write:

- a. Cognizance symbol.
- b. Federal group/supply class or technical supply management code.
- c. Material control code.
- d. Condition code.

09105 FINANCIAL RECORDING AND FISCAL ACTION

1. FINANCIAL INVENTORY REPORT (FIR). The FIR Codes are used to record financial status and action. Mechanized activities will designate FIR codes on status transactions. Manual activities will designate FIR codes on their listings. Complete accounting information is obtained from accounting status transactions (at mechanized activities) and reference listings (at manual activities).

2. FUND CODE 99. Any MILSTRIP requisition document (DD Form 1348) showing a fund code 99 and accounting information in the remarks blocks is sent to the Financial Editor. The editor validates the accounting information and assigns a FIR code. The MILSTRIP Requisition Form DD 1348 (which cites a fund code other than 99) doesn't require financial editing.

09110 SPECIAL ACCOUNTING INSTRUCTIONS

1. GENERAL. When special accounting instructions are in the remarks column of DD Form 1348, the person preparing DD Form 1348-1A will write those instructions (prior to separation of DD Form 1348 and the DD Form 1348-1A). When required, they will also write (on the on DD Form 1348-1A) the appropriation/stores accounting information, as follows:

a. TRANSFER TO OTHER SUPPLY OFFICERS. Issuing activity unit identification code/functional account from/functional account to/unit identification code of activity issued to. This will appear as: 00495/51000/51000/00228. This information is written in Block 27.

b. EXPENDITURE TO END USE. In Block 27 write: Issuing activity unit identification code/functional account issued from/appropriation and subhead, and object class/functional account/chargeable activity/authorization accounting activity/bureau control number. Therefore Block 27 shows: 00486/51000/1731804 - 2410/026/13000/14603/00218/24005.

09115 REPORTING ACCOUNTING INFORMATION FOR "END USE" EXPENDITURES

When end use expenditures require Reports of Fund Authorization Charges (NAVCOMPT Form 2074), manual activities may group the DD Form 1348-1A (that has identical end use accounting information) and enter the accounting information directly on the Report of Fund Authorization Charges. This can be done without having to interpret the fund codes on individual documents.

09120 SUMMARY OF TRANSFERS TO OTHER SUPPLY OFFICERS

OSO transfers showing a fund code are grouped by accounting activities. Summary reports (by group) are identified to the stores account issued from, the stores account transferred to, and the unit identification code of transferring and receiving activities.

09125 RETAINED RECORD OF STORES RETURNS

Manual activities keep a single copy of the DD Form 1348-1A with the file copy of the Stores Returns or Report of Fund Authorization Charges (NAVCOMPT Form 2074). They are required to keep a list of release documents so they can reply to any requests for expenditure information, financial reports, and records. The list will contain, as a minimum, the month of stores returns or Expenditure Report, the document number (RP 30-43), and the total price.

09130 USE OF DD FORM 1348-1A AS AN ACCOUNTING DOCUMENT FOR RECEIPTS

Adequate copies of the release/receipt documents are provided as receipt accounting documents. On one copy of the DD Form 1348-1A complete block 27 with the essential financial inventory data.

09135 IDENTIFYING CHARGEABLE ACTIVITY

Sometimes, but not always, the **chargeable** activity will appear in RP 31-35 of an end use requisition. The **accountable** activity must be shown on every requisition for transfers between Supply Officers (OSO) and will appear in RP 31-35 or 46-50. If no published fund code is available, the **authorization accounting** activity will appear in the remarks block of DD Form 1348.

09140 IDENTIFYING ISSUING ACTIVITIES (ASHORE)

If a shore activity is issuing material for an intra-Navy document, they are identified by a Routing Identifier Code in record positions (4 to 6) of the DD Form 1348-1A. On accounting documents (which follow material issue) the shore activity is identified by its unit identification code.

09145 SOURCES OF ACCOUNTING TRANSACTIONS

1. GENERAL. DD Form 1348 (Requisition) is the document used to conduct basic financial inventory accounting at naval activities. However, other documents also serve as a source for financial inventory accounting. These primarily include the following:

- a. Release/Receipt Document (DD Form 1348-1A).
- b. Requisition and Invoice/Shipping Document (DD Form 1149).
- c. Material Inspection and Receiving Report (DD Form 250).
- d. Prepositioned Receipt Card (DD Form 1486).

PART C: INVENTORY TRANSACTIONS

09200 FINANCIAL INVENTORY REPORT CODES

1. FIR CODES. FIR Codes provide data on stores account, cognizance code, Federal or Navy supply classification, material control, and condition codes. Data requests are accumulated by the FIR caption codes listed in **Appendix 31**.

2. SELECTED FIR CODES. Shore stations with an average inventory value on the FIR of less than \$100,000 in the Navy Stock Account (through 30 September) may elect to use "selected" FIR codes. Similarly, shore stations with an average inventory value on the FIR of less than \$500,000 in the Appropriation Purchases Account (through 30 September) may also use these codes. Activities will request prior approval from the Navy Accounting and Finance Center to use these selected FIR codes.

09205 FINANCIAL INVENTORY LEDGERS

1. GENERAL. Financial Inventory Ledgers are maintained for opening and closing inventory accounts and for captions described in 09015. Ledgers are maintained by stores account, cognizance symbols, federal and Navy supply classification, material control codes, and condition codes as follows:

a. Stores Account. Ledgers are maintained for the Navy Stock Account, End-Use Store Account, and the Appropriation Purchase Account.

b. Cognizance Symbol. The cognizance symbol for a category of material designates the management and/or funding inventory control point, Navy retail office, bureau, office, or command for an item. Cogs are listed in Appendix 18. Financial Inventory Ledgers are maintained for each cognizance symbol other than OJ, OM, OO, OQ, OR, OU, and OL. Cogs are not maintained on NWCF Financial Inventory Ledgers.

c. Federal And Navy Classification. Financial inventory ledgers are maintained under each cog by Federal Group or Navy Class (FG/NC), special material identification code, or special three digit accounting classes.

d. Material Control Codes And Acquisition Advice Codes. Within a FG/NC or special material identification codes, financial ledgers are maintained for the material control codes or acquisition advice codes (AACs). Material control codes and AACs are listed in Appendices 9 and 23 respectively.

e. Condition Codes. Financial inventory ledgers are maintained by the condition codes within inventory segments for material control codes, federal and Navy supply classification, and cognizance symbol. For a listing of condition codes refer to Appendix 10.

09210 FINANCIAL INVENTORY REPORTS - NAVCOMPT Form 2154; RCS: NAVCOMPT 7323-28

1. REPORTING REQUIREMENTS. Activities which account for Appropriation Purchase Account (APA), End-Use and/or NSA material will accumulate financial inventory information by the FIR codes listed in Appendix 31 as follows:

a. Section #1: Summary FIR by Stores Account. Includes the opening and closing inventory balances and transaction totals by FIR code, for all cognizance symbols, within each stores account.

b. Section #2: FIR by Cognizance Symbol. Includes the opening and closing inventory balances and transaction totals, by FIR code, for each cognizance symbol.

c. Section #3: Class Section. Includes the opening and closing inventory balances and transaction totals, by FIR code, for each class within each combination of condition code, material control code, and cognizance symbol. The class requirements for each cognizance symbol are described in 09210. Overstatements of the values reported in any FIR code (caused by error postings) are corrected by an offsetting entry in the FIR code.

2. CONTENTS OF THE CLASS SECTION FOR MECHANIZED ACTIVITIES. All mechanized activities will include the following details in the class section:

a. Special Material Identification Codes (SMICs) B1, P1, and X1 for Cognizance Symbol 2S, SMIC F1 for Cognizance Symbol 2S, and SMICs Q1 and Q2 for Cognizance symbol 2F. All other Cognizance symbols 2F and 2S material is reported in Special Accounting Class 200.

b. All other material cognizance symbols are reported in Special Accounting Class 200 or applicable special accounting class.

(1) Two-digit Special Material Identification Codes (SMICs) B1, P1, and X1 for Cognizance Symbol 2S, SMIC F1 for Cognizance Symbol 2S, and SMICs Q1 and Q2 for Cognizance symbol 2F in RP 13 and 14 (Leave RP 15 and 16 blank).

(2) Three-digit Special Accounting Classes in numerical order in RP 13, 14, and 15. (Leave RP 16 blank.)

3. CONTENTS OF THE CLASS SECTION FOR NON-MECHANIZED ACTIVITIES. Non-mechanized activities report three digit Special Accounting Classes for all cognizance symbols.

4. DISTRIBUTION OF THE FINANCIAL INVENTORY REPORTS. The FIR sections described in paragraph 09210.1 are prepared and forwarded as follows:

Distribution

FIR Section	<u>NAVCOMPT Form 2154</u> (ALL Activities)	<u>NAVSUP Form 1236</u> (Mechanized Activities)
1	Signed original to DFAS.	
2	Original and 1 copy to DFAS: 1 copy to the inventory manager listed in App 18 (except for NAVSEA managed cogs (see Notes 1 and 2).	1 deck to DFAS w/9 RP 1.
3	1 copy to the inventory manager activities listed in App 18 (except for NAVSEA managed cogs). (See Notes 1 and 2). 1 copy of the complete class section for SAC 233 to the Navy Regional Finance Center (Code 661), Washington, DC20371.	See Note 2. 1 deck to activities indicated with punched in RP 1. 1 deck with "3" punched in RP 1 to the Navy Regional Finance Washington, DC 20371 for SAC 233.

Note 1: In addition to the requirements described above, copies of NAVCOMPT Form 2154 and NAVSUP Form 1236 for FIR Sections 2 and 3 above are forwarded to the Commanding Officer, Navy Regional Finance Center (FSR 123), Washington, DC 20360 for the following cognizance symbols: 1B, 2C, 2F, 2J, 2M, 2P, 2S, 2V, 2W, 2X, 2Z, 4J, 4M, 4P, 4T, 4V, 4X, 6P, 6T, 6V, 8E, 8M, 8P, 8S, 8T, 8U, 8X, and 9B. The NAVSUP Forms 1236 sent to NRFC (FSR 123) will have a numeric one in RP 1 for Section 2 and a numeric three in RP 1 for Section 3. The NAVSUP Forms 1236 submitted to NRFC (FSR 123) should not be submitted to the inventory managers (SYSCOMS). The NAVSUP forms applicable to cognizance symbols managed by NPFD and SPRP are sent to the address listed for these inventory managers in Appendix 18.

Note 2: Sections 2 and 3 of the FIR are mailed in time to reach the inventory managers and DFAS on or before the 9th of the month following the report month.

5. AUTOMATED COMMUNICATIONS. Activities using automated communications networks should use them in submitting NAVSUP Form 1236 to NPFD and NAVICP MECH. Each transmission should include information as follows:

- a. The Content Indicator Code (RP 5-8) should read "NFIR."
- b. Card columns 1-18 is to read "NAVSUP Form 1236;" RP 27-80 should show recipient's:
 SPRP - "SPRP CODE 0102 MECHANICSBURG"
 NPFC - "NPFD CODE 56 PHILADELPHIA"

6. DELINQUENT REPORTS. Adjustments for delinquent reports are made on the Cognizance Symbol FIR Statement as follows:

- a. Insert the closing inventory value from the previous month's FIR from the delinquent activity as the current month's opening and closing inventory.
- b. Footnote the report to show delinquent activities and activities showing prior month's information.
- c. In the next report, adjust transactions for the delinquent activity by inserting the closing inventory value from the prior report as the opening inventory, and inserting the closing inventory from the current month and recording values opposite each FIR code - which are the sum of the values on the delinquent report plus the values on the current report.

7. SUPPLEMENTAL REPORTS FOR SPECIAL ACCOUNTING CLASS 203 MATERIAL. All activities which account for Special Accounting Class 203 material in more than one location provides supplemental reports, by location, to the interested inventory managers. This applies to the cognizance symbols listed below, if the inventory manager specifically requests it.

<u>Cog</u>	<u>Inventory Manager</u>
All 9 and 5 cogs. except 9B and 5R	Commanding Officer U.S. Navy Fleet Material Support Officer
1R and 7R	Commanding Officer Naval Inventory Control Point (Code FCF-1) 700 Robbins Avenue Philadelphia, PA 19111

8. REVIEW OF FIRS PRIOR TO SUBMISSION. Each stock point uses their own criteria to review the FIR for accuracy. If inaccuracies are found, take the following actions:

- a. Investigate and correct questionable entries by the the submission date.
- b. If investigation and correction cannot be completed by the submission date, annotate in Section 2 of the report that an investigation is being made.
- c. After completing the investigation, send the results to the appropriate inventory manager and NAVSUP (SUP 013).
- d. If a FIR is corrected, indicate on that FIR that the correction has been made, reference the letter to the inventory manager, and indicate the month and year of the original error.
- e. Items questioned by the inventory manager are reviewed and the reported to the inventory manager.

9. ITEMS FOR REVIEW BY RECIPIENT INVENTORY MANAGERS. The Navy's budgetary requirements for procurement of stores account material (which is submitted to the Department of Defense and the Office of Management and Budget) is reviewed in the light of inventory, issues, and other transactions reflected in the FIR. Any incompatibility between the inventory managers' budgetary justification and the inventory transactions reported on the FIR will adversely affect the Navy's and the individual inventory manager's capability to obtain the financial resources necessary to support assigned programs. Therefore it's important each inventory manager review the NAVCOMPT Forms 2154 provided by the various stock points and to request explanations or clarifications from stock points which report questionable or unusual amounts of transactions on the FIRs. The following is a partial list of items to review. The list should help validate transaction amounts on the FIR. They're not meant to limit your review:

- a. Purchase variance gain or loss when no receipts from procurement are reported.
- b. Standard price adjustments processed in a particular cognizance symbol for which the inventory manager has not issued change notice status transactions.
- c. Credit entry in any FIR code which does not normally require a credit entry.
- d. Inordinate amount reported opposite any FIR code.
- e. Amounts reported in a FIR code not applicable to the stores account.
- f. Inventory in a cognizance symbol for which the stock point is not an authorized carrying point.

10. SPECIAL FIRS FOR END USE INVENTORIES. A Financial Inventory Report (FIR) is prepared by all activities holding 7 _ / 0 _ cognizance material held in W and L Purpose Codes. These assets are reported as Stores Account 55000. The inventory control points (NAVICP PHIL and NAVICP MECH) will prepare these FIRs for CAB reporting activities. For Non-CAB activities, the AAA for the issuing activities will prepare the end use FIRs. These FIRs are forwarded to the Type Commanders (Fleet Accounting Activities) by the reporting activities.

PART D: FUND CODES**SECTION I: USE OF FUND CODES****09300 GENERAL**

1. **DESCRIPTION.** Activities use fund codes to do their accounting. The fund code is a two-column entry used to properly bill an activity for material received. It may be alphabetical, numeric/alphabetical, alphabetical/numeric, or numeric/numeric. Fund Codes correspond to long lines of accounting data; accounting data which the Navy is unable to transmit within the 80 cc limits of its present requisition, release, and receipt documents. The fund code can have important meaning to the requisitioner and supplier, and to all the activities it is being sent to within a service. **Appendix 30** lists fund codes. If you're a manual activity you should create a cross-reference listing of "fund code to transactions". Include transactions routinely processed. Keep the fund codes up-to-date, i.e., add to or delete them from the listing, as needed. Each fund code in your list should contain the following:

- a. Fund code.
- b. Appropriation and subhead.
- c. Account expended to.
- d. Expense budget.
- e. Authorization accounting number.

2. **NAVY, ARMY, AIR FORCE, MARINE CORPS, DEFENSE LOGISTICS AGENCY, AND CIVIL AGENCIES FUND CODES.** Fund codes assigned by Navy, Army, Air Force, Marine Corps, Defense Logistics Agency, and Civil Agencies have common meaning to requisitioners and suppliers when used with Signal Code "C" or "L" in RP 51; the code in RP 52 identifies the activity to receive billings. The code assigned by Navy, Army, Air Force, Marine Corps, Defense Logistics Agency, and Civil Agencies activities are perpetuated in all follow-on documentation.

3. **FUND CODES ASSIGNED FOR GENERAL NAVY USE.** Fund codes assigned by the Navy for general Navy Use and sent with full accounting information, will have common meaning between naval activities. But when requisitions are referred to other DoD components of GSA, this meaning may not pass to those activities and the referring activity is required to ensure that the appropriation activity (identified by their unit identification code) is cited for billing purposes. Fund codes assigned for general Navy Use will not be modified when the requisition is referred to another Navy activity or an inventory manager.

4. SUPPORT ACTIVITY CUSTOMER FUND CODES. The fund codes assigned between supply support activities and "regular customers," for which the support activity provides accounting services (i.e., numeric/alpha fund codes, in association with "N" Service Code) have a common meaning only to concerned activities. When referral is made by the supporting stock point to another Navy stock point or inventory manager for continued supply action, the fund code is changed to the appropriate general Navy use fund code and billing or summarization are directed to the supporting stock point. When a general Navy fund code is not prescribed and referral is made to another DoD component, the locally assigned fund code may be perpetuated. In either event, the referring activity modifies the supplementary address and signal code to direct billing to itself.

5. NONACCOUNTABLE ACTIVITY PROCESSING. Upon receipt of documents indicating direct turnover or direct shipment to nonaccountable activities, charges are processed against the appropriate end use funds by the accountable activity. Customer activities provide the accountable activity with a copy of the release/receipt document showing receipt of the material.

6. FUND CODE 99. When no fund code is assigned which permits identification of the funds to be charged, the proper code ("5" or "E") is inserted in RP 3 of DD Form 1348; Fund Code 99 is entered in RP 52 and 53 and the full accounting information entered in the remarks area of DD Form 1348. This prevents transmission of the request by transceiver. Mail or message transmittal, depending on priority assignment, are required. Requisitions are not be passed to DLA, other Services or other Agencies citing accounting data in the "Remarks" field. Exception data (expounding on shipping or billing instructions) is desirable on passing orders. Exception accounting data is not to be cited on billing documents received. The fact that the accounting data is not perpetuated by the billing agency, however, does not relieve the accountable activity of the responsibility for maintaining documentation to confirm billings and perform required accounting.

7. EXCEPTIONS. Entries are made in RP 52 and 53 for all requisitions except for free issues (i.e., Signal Code "D" or "M" in RP 51) or when the accounting information is provided through a job order number.

09305 FUND CODE ASSIGNMENTS FOR END USE CHARGES BY SHIPS AND AVIATION SQUADRONS

The fund codes assigned to ships and fleet aviation units are designed for them. These assignments take into account that the chargeable activity is the requisitioner (RP 30-35). Therefore, these requisitions use either "A" or "J" as signal codes in RP 51.

09310 FUND CODES FOR RESERVE TRAINING SHIPS

Reserve training ships are funded by target allotments authorized by their Type Commanders. Normally these ships will draw material from the same activity that performs fund resource accounting, but fund codes have been assigned to provide for orderly receipt of charges during periods of absence from normal support activities. By combination of the ship's unit identification code in rp 30-35 on DD Form 1348 and the fund code, all required accounting information can be obtained to use expenditures by any support activity. These fund codes are used similarly for ships of the active fleet and aviation squadrons.

09315 FUND CODES ASSIGNED FOR MOBILE CONSTRUCTION BATTALIONS

Fund codes are provided by Mobile Construction Battalions while operating away from Construction Battalion Headquarters. The fund codes with alphabetical characters in rp 52 and 53 provide full accounting information. They permit end use spending and report the dollar value of issues on NAVCOMPT 2074 to the authorized accounting activity. Using these codes requires the chargeable activity to be shown in rp 30-35 of DD Form 1348; the fiscal year chargeable is indicated by the Julian date in rp 36-39. Signal Codes "A" and "J" are used.

09320 FUND CODES FOR AMPHIBIOUS CONSTRUCTION BATTALIONS

Amphibious Construction Battalion (ACB) Detachments are not assigned unit identification codes. Therefore their requisitions must show the unit identification code of the parent battalion as the requisitioner in RP 31-35. This permits the proper unit to be charged for material. To provide ACB accounting personnel the capability to charge a specific detachment, and to prevent duplication of document numbers, the ACB headquarters will assign blocks of serial numbers for use in RP 40-43 of the requisition. When the assigned fund codes represent the funds to be charged, Signal Codes "A" or "J" are used in RP 51.

09325 FUND CODES FOR MARINE CORPS ACTIVITIES

1. GENERAL. Marine Corps requisitions are billed per inter-fund billing procedures contained in the NAVCOMPT Manual, Volume 3, Chapter 4, Part E; they are charged to funds listed in the Marine Corps fund code table. To the extent that Navy stock points have not completed programming changes to bill the Marine Corps per interfund procedures, the procedures in subparagraphs 2 through 4 below apply.
2. DIRECT CHARGES. Marine Corps requisitions citing alpha/alpha fund codes from Appendix 30 are processed as direct charges and reported on Report of Fund Authorization Charges (NAVCOMPT Form 2051) as follows:
 - a. Accounting data chargeable for alpha/alpha fund codes following from Appendix 30.
 - b. The fiscal year chargeable on all Marine Corps requisitions citing alpha/alpha codes from Appendix 30 are determined from the Julian date shown in the document number field of the requisition, not the date of drop from inventory.

c. Marine Corps fund codes are assigned and controlled by the OPBUD/UIC. The number may not be the same as the AAAN. Accordingly, the "bill to" activity must control the charge to the appropriate fund code. Once the fund code is interpreted, distribution of financial charges on NAVCOMPT 2074 are by AAAN.

3. CASH SALES. Requisitions citing other than alpha/alpha fund codes listed in Appendix 30 are billed - per the signal code indicated on the basic requisition - as cash sales on Form 1080.

4. UNIDENTIFIABLE ACTIVITIES. Bills for charges against unidentifiable activities are forwarded on Standard Form 1080 to the Commandant of the Marine Corps (Code FDA-20). Activities may revise requisitions (per data provided by NAVSUP) which identify Marine Corps unique activity designators and the associated billing office. If, after reviewing this data, the activity is still unidentifiable, forward to Marine Corps Headquarters as stated above.

09330 FUND CODES FOR MILITARY SEALIFT COMMAND

Fund codes assigned for use by Military Sealift Command (MSC) are used only by MSC ships and area commands. MSC will provide detailed instructions (for using them) to all authorized ships. Other naval activities will recognize the codes as requisitions requiring either direct charge to the Navy Industrial Fund (NIF) appropriation and subhead, for issues from Navy Stock Account (NSA), or billings as cash sales for reimbursable issues from APA; however ammunition support (small arms, demolition and pyrotechnic material) for the MSC Nucleus Fleet is provided on a non-reimbursable basis (See NAVCOMPT Manual, paragraph 074703-3g, item 3). Reports of NSA charges and APA billings are furnished to the MSC area office indicated in rp 51 and will perpetuate on all billings the information from rp 52 and 53. Signal Codes A, B, J, or K are used with these codes.

09335 FUND CODES FOR OTHER SUPPLY OFFICERS (OSO) TRANSACTION

1. GENERAL. Fund codes are provided for Other Supply Officer (OSO) expenditure/ receipt transactions to help establish a financial detail status transaction, identify the transaction, expedite distribution of material receipts, and help to reconcile summaries of receipts from OSO as follows:

a. APA Reimbursable Issues. Fund Codes 29 or 34 indicate expenditure to end use with reimbursement and are processed as an issue with reimbursement.

b. Follow-Up To Receipt Control. Follow-up to Receipt Control by Fiscal is required only for unmatched summarized documents showing Fund Code 26. Summarized documents received in Fiscal citing Fund Codes 27 or 28 are attached to obligating documents and simultaneously processed as a receipt from Other Supply Officers and an expenditure to use. Summaries received citing Fund Codes 29 and 34 are processed as a simultaneous receipt from Other Supply Officers and cash sale expenditure with obligating documents attached. OSO summaries citing Fund Codes 30 and 33 will not be supported by obligating documents and is reported as a receipt from OSO and expenditure to end use without reimbursement.

c. Processing OSO Material Receipts By Receipt Control. Only receipt documents showing Fund Code 26 are forwarded by Receipt Control to Financial Inventory Control.

09340 FUND CODES FOR OPN OUTFITTING ACCOUNT ALLOTMENTS

Fund codes assigned to identify NAVSEA OPN Outfitting Account are used only when authorized. Issues of material involving these fund codes are processed as end-use transactions by issuing activities. No supply action may be taken by activities other than the holders of the NAVSEA OPN Outfitting Account allotment, unless the allotment holder confirms the request document or specific separate authority is provided to support the request.

09345 FUND CODES ON REQUISITIONS FOR BLANK FORMS 01 COG MATERIAL

Fund codes are not required for cognizance 01 material not carried in the Navy Stock Account. Accordingly, RP 52-53 is left blank on requisitions for this type of material. Signal Codes "D" or "M" for non-NSA material is used in RP 51.

09350 FUND CODES FOR NAVY WORKING CAPITAL FUND (NWCF) TRANSACTIONS

1. PURPOSE. The fund codes assigned for Navy Working Capital Fund (NWCF) are used for requisitioning by activities holding NWCF allotments only. They are provided to:

- a. Permit rapid identification of funds for obligation of NWCF allotments.
- b. Facilitate identification of chargeable funds upon receipt of billings from Defense Supply Centers, other services, and the General Services Administration.
- c. Permit mechanized preparation of NAVCOMPT 2035's (Schedule of Accounting Information) when forwarding billings for payment. The fund codes assigned will have complete meaning only to the activity which prepares the requisition as the published accounting Information provides the budget project only.

2. USE. The NWCF allotment will finance requisitions to replenish stock DTO requisitions no longer wash through the NWCF In the event the NWCF allotment is insufficient to carry the charges, the requisition may be passed citing the end-use appropriation fund code or Navy Industrial Fund code cited on the original requisition.

→ 09355 FUND CODES FOR ISSUES OF GOVERNMENT FURNISHED PROPERTY TO CONTRACTORS

1. GFM. Fund codes assigned for issue of government furnished property to contractors are used by Navy activities that are authorized to release government material to contractors. NAVICP assigns a fund code to a GFM requisition based on the following:

- 9 COG (end item is 1H or 3H) - N3
- 7R COG – HM, WA, 2S
- Other 7 COG - WH
- GFM used to repair another item - HS

2. CFM. Contractors assign a Fund Code of XP (cash sale) to their Contractor Furnished Material (CFM) requisitions. CFM is distinguished from GFM by the fact that the contractor pays for the material – not the Navy.

09360 FUND CODES FOR MATERIAL TURNED INTO STORE ON DD FORM 1348-1A

The Release/Receipt Document, DD Form 1348-1A, is used to return material to stock points and Block 27 will indicate the fund code creditable; when Fund Code "99" is used, complete accounting information is shown in Blocks 27. The fund code to be used (on this document) is the fund code which would be used if the material were being requested instead of being turned in. Receiving activities will select the accounting status transaction showing the fiscal year current at the time of processing the credits - in lieu of that shown in Block 27 of the DD Form 1348-1A.

09365 FUND CODES FOR MULTIPLE OPERATING BUDGET OR ALLOTMENT

1. GENERAL. Some fund codes are currently assigned which identify accounting data only to the appropriation and subhead level. These fund codes are assigned to those activities holding operating budgets (OBs), or allotments, under these appropriations and subheads. Use of an assigned multiple operating budget or allotment fund code, which is published in Appendix 30, Part X, and identified by the notation "MOB" in the "Remarks" column, is authorized if the activity holds a valid funds authorization document under the appropriation and subhead associated with the fund code to be used.

2. REQUISITIONS. When a multiple operating budget or allotment fund code is used on a MILSTRIP requisition, take care to assure that the data elements placed on the requisition correctly identify the OB or allotment holder to be charged... and to correctly direct billing to the OB or allotment holder. This will send the bill to the designated Authorization Accounting Activity (AAA). The following rules apply to determining the line or accounting data to be charged when requisitions cite multiple operating budget or allotment fund codes:

a. The Unit Identification Code (UIC) or the OB or allotment holder must always appear in record position 30-35 (requisition field) of any requisition containing the multiple operating budget or allotment fund code. No exceptions.

b. The activity to receive the billing, will always be the AAA for the UIC inserted in the requisitioner field. Before using any multiple operating budget or allotment fund code on a requisition, ensure that the Department of Defense Activity Address Directory (DODAAD) correctly reflects the address of the AAA to be billed. The billing address is the Type of Address Code (TAC) 3 address of the UIC showing in requisitioner field. There are a number of activities who do not have their Navy Working Capital Fund (NWCF) allotment and OB accounting performed by the same activity. Please see subparagraph 4 before preparing requisitions for these activities.

c. The activity to receive the material is identified by the Navy UIC shown in the requisition's record position 30-35 (Requisitioner) or 45-50 (Supplementary Address) in combination with the Signal Code shown in record position 51.

(1) When the material ordered is to be shipped to the requisitioner, record position 51 will always contain a Signal Code "A".

(2) When the material ordered is to be shipped to other than the requisitioner, the UIC of the consignee is entered in record positions 45-50, and record position 51 will always contain a Signal Code "J".

(3) When requisitions are prepared by subordinate activities which operate under a parent command's OB, for shipment to the subordinate activity, subparagraph 2c (2) will apply.

3. AUTHORIZED ACCOUNTING ACTIVITY. The fund code user must ensure that the DODAAD correctly reflects the address of the activity performing AAA functions as the TAC 3 for the UIC which identifies the multiple operating budget or allotment holder. For exceptions in those instances where NWCF allotment and OB accounting are performed by different AAAs, see subparagraph 4 below. Updates to the Uniform Automated Data Processing System for Stock Points (UADPS-SP) Universal Fund Code File are based upon revisions to the DODAAD. This file is used by UADPS-SP activities when preparing billings for issues made against requisitions containing multiple operating budget or allotment fund codes. They must reflect the same billing address as that published in the DODAAD under the UIC's TAC 3 address.

4. SEPERATE NWCF ALLOTMENT AND OB ACCOUNTING FUNDS. As an exception to the above, at those activities where NWCF allotment and OB accounting funds are separated, requisitions are processed based on the following rules pending consolidation of accounting funds into a single AAA:

a. A TAC 3 address, noted in paragraph 3 above, should not be loaded to the DODAAD.

b. The requisition document number must still contain the UIC of the allotment or OB holder in record positions 30-35; however, to assure proper billing:

(1) Record position 51 should contain a Signal Code "A", if the requisitioner is both the consignee for the material ordered and the AAA for the funds being charged.

(2) Record position 51 should contain a Signal Code "B" and the UIC of the AAA to receive the billings should be inserted in record position 45-50, if the requisitioner is the consignee and not the AAA for the funds to be charged.

SECTION II: ASSIGNMENT OF FUND CODES**09370 GENERAL**

The Defense Finance Accounting Service (DFAS) assigns fund code. Service Designator Code N Fund Codes are used by ashore activities. Fund codes assigned for use by ships, aircraft units, TYCOMS, headquarters staffs, and other operating commands are used with Service Designator Code R (by Pacific Fleet) and V (by Atlantic Fleet). Since the same fund code may be used with more than one service designator code, it is necessary to couple the fund code - with its service designator code - to determine the accounting data to be charged. Ship requisitions for overhaul, or major conversion and outfitting of newly constructed vessels, use Service Designator Code N. During the time the ship isn't operational - the shore activity is charge - not the ship's OPTAR. Fund Code 99 is not to be used by the operating forces with Service Assignment Codes R and V. Appendix 30 has a complete list of fund codes.

09375 ADDITIONAL FUND CODE ASSIGNMENTS

1. GENERAL. If commands believe the assignment of additional service-wide fund codes will expedite material to the customer, they will submit a request to DFAS. Full justification and explanation of the circumstances requiring the additional assignment, together with complete accounting data (appropriation and subhead, object class, functional account, authorization accounting activity, and bureau control number), must accompany the request. Additionally, all fund code requests under "N" Service Code will list all activities (identified by UIC) are authorized to charge the accounting data. Listings are not required if the fund code is to identify multiple users with the OB and AAA being determined by a combination of signal code, requisitioner UIC, and supplementary address data. The criteria for approval of additional service-wide codes is:
 - a. That the user or users will requisition material from multiple Navy supply support activities.
 - b. That the code is used to expedite transmitting requisitions.
 - c. That the purpose of the funds (the fund codes represents) is of a continuing nature.
2. FUND CODE DEFINITION. Newly assigned fund codes will not be introduced into the supply system without prior communication of the meaning of the fund code to the supplying activity.

09380 FUND CODES RESERVED FOR LOCAL ASSIGNMENT

For N Service Code requisitions, fund codes in the numeric/alpha series are "local" fund codes; they're only significant to the customer and the routine supply source. They're used with the UIC of the chargeable activity. Although small activities (assigned to supply support activities) may find that the range of fund codes can provide sufficient combinations to use the fund code as a job order numbering system, the primary purpose of these fund codes are to transmit accounting data between the supply support activity and the requisitioner. These fund codes are only significant to concerned activities. Signal and fund codes may need revision, if the requisition has to be referred. Local fund codes are established by DFAS for Operating Forces' allotments having no fund codes assigned. Requisitions citing recognizable service-wide fund codes (assigned by DFAS) are not to be referred by the supply support activity without modifying the fund code field. Referring activities will modify the fund code to the appropriate Other Supply Officer (OSO) fund code. Charges are made to the requisition's funds following receipt of the OSO summary.

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